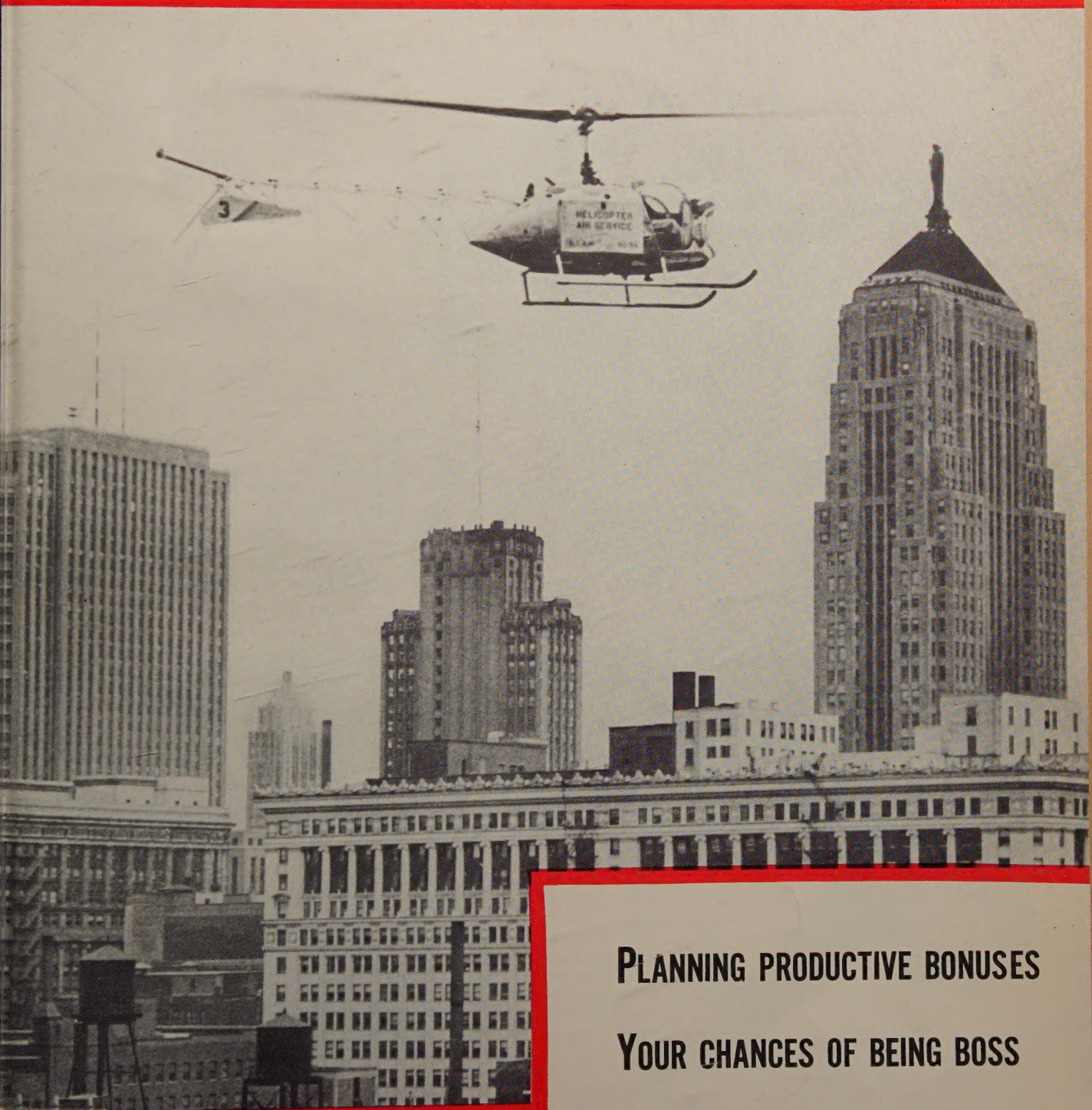


# COMMERCE

JANUARY 1956 35c



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Coming: Helicopter Passenger Service  
(See Page 5)



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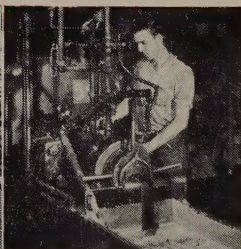
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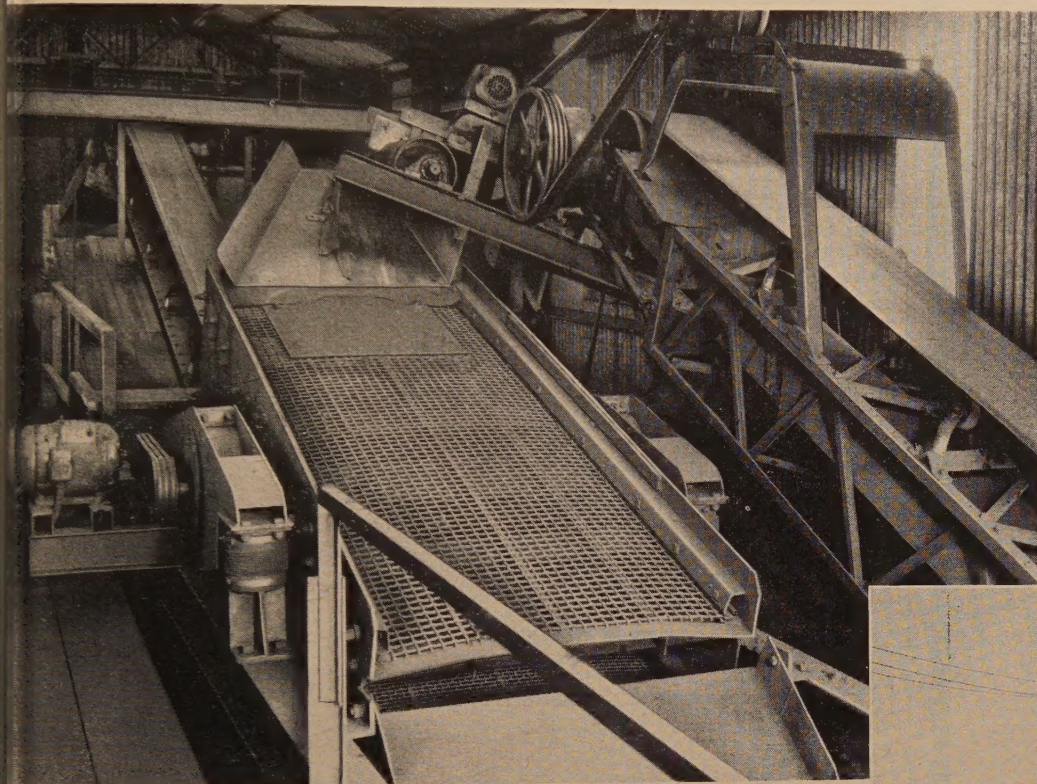
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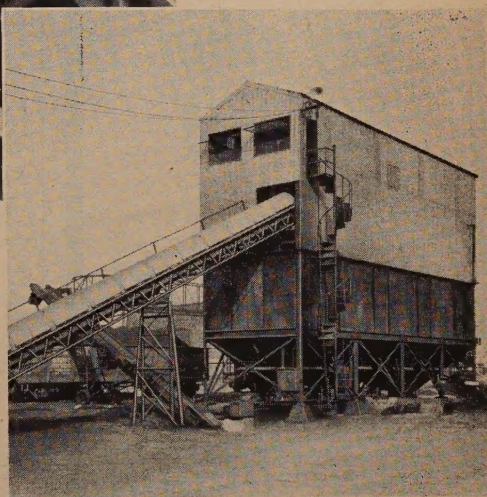


# GAS at work for Chicago's Industry



(Above) View of vibrating screen now being heated with gas at the plant of the Mid-Continent Coal & Coke Co., 3440 E. 96th St., Chicago.

(Right) By means of a 90-ft. conveyor, the damp coke is conveyORIZED to the top floor where it will pass over and drop through the vibrating screen, the initial step of the grading operation.



The Mid-Continent Coal & Coke Company, located on the south side, has found an unusual use for gas. It involves the re-screening of coke breeze obtained from the neighboring steel mills and which, due to its small size, is not useable as fuel for blast furnace operation.

Gas is being used at low temperature to heat a vibrating screen which causes the damp coke to break up and fall through it onto other screens. Graded into four different sizes, the coke is then shipped by carload to various chemical companies who use it for its high carbon content.

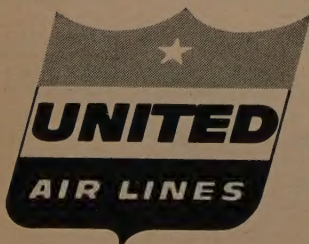




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## statistics of...

# Chicago Business

	November, 1955	October, 1955	November, 1954
Building permits .....	1,073	1,091	7,000
Cost .....	\$ 25,508,908	\$ 25,954,013	\$ 16,939,500
Contracts awarded on building projects, Cook Co. ....	2,127	2,590	2,000
Cost .....	\$ 70,918,000	\$ 75,863,000	\$ 60,886,000
(F. W. Dodge Corp.)			
Real estate transfers .....	8,284	8,801	8,300
Consideration .....	\$ 5,429,978	\$ 7,146,271	\$ 5,091,300
Bank clearings .....	\$ 4,525,489,965	\$ 4,502,377,504	\$ 4,173,780,700
Bank debits to individual accounts:			
7th Federal Reserve District .....	\$26,081,000,000	\$25,665,000,000	\$22,344,000,000
Chicago only .....	\$12,632,182,000	\$12,489,484,000	\$11,614,321,000
(Federal Reserve Board)			
Bank loans (outstanding) .....	\$ 3,362,000,000	\$ 3,209,000,000	\$ 2,779,000,000
Midwest Stock Exchange transactions:			
Number of shares traded .....	1,979,000	1,646,000	1,932,500
Market value of shares traded .....	\$ 73,256,471	\$ 64,361,244	\$ 69,485,800
Railway express shipments, Chicago area .....	1,063,483	972,529	1,007,000
Air express shipments, Chicago area .....	74,030	79,461	66,400
L.C.L. merchandise cars .....	19,023	20,155	18,200
Industrial gas sales, therms. ....	15,096,184	13,523,355	13,252,800
Steel production (net tons) .....	1,844,600	1,880,700	1,546,700
Revenue passengers carried by Chicago Transit Authority lines:			
Surface division .....	42,252,780	43,606,229	43,240,500
Rapid transit division .....	9,810,516	9,589,840	9,516,800
Postal receipts .....	\$ 15,064,868	\$ 13,039,035	\$ 14,589,600
Air passengers:			
Arrivals .....	309,424	397,751	293,700
Departures .....	334,042	418,349	312,100
Consumers' Price Index (1947-49=100) .....	119.1	119.0	117.0
Receipts of salable livestock .....	637,524	516,301	555,900
Unemployment compensation claimants, Cook & DuPage counties .....	23,416	25,090	54,700
Families on relief rolls:			
Cook County .....	26,077	26,329	24,700
Other Illinois counties .....	13,819	13,411	15,600

## February, 1956, Tax Calendar

Date Due	Tax	Returnable to
15	Illinois Retailers' Occupation Tax, MROT and use tax return and payment for month of January	Dir. of Revenue (Illinois)
15	If total Income and Social Security taxes (O.A.B.) withheld from employe plus employer's contribution withheld in previous month exceeds \$100, pay amount to	Authorized Depository
15	Last day for filing farmers' 1955 calendar-year return instead of filing estimate on January 15	District Director of Internal Revenue
28	Annual Federal information returns. This is calendar year 1955 report — not fiscal. Information returns of dividends (in excess of \$10), salaries from which tax has not been withheld and other payments of \$600 or more; corporate distributions during 1955 claimed to be non-taxable and information on distributions in liquidation of \$600 or more (Forms 1096 and 1099). Form 1099 not required on wages reported on Form W-2	Commissioner of Internal Revenue, Processing Division, Country Club Station, Kansas City 2, Missouri
29	Last day for filing of Annual Franchise tax report without penalty by domestic and foreign corporations. Based on calendar year 1955 or on end of fiscal year preceding December 31, 1955	Secretary of State
29	If Excise taxes collected in previous month exceed \$100, pay to	Authorized Depository



# COMMERCE

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## in this issue . . .

Does your company have an incentive bonus plan for executives? If so, how can it be made more effective? If not, should one be started? Arch Patton has made a thorough study of company executive bonus plans, good and bad. His article, page 13, is a summation of his findings.

Is American business offering less and less opportunity for the ambitious and energetic young man to work his way to the top of the heap? This question is answered confidently by W. Lloyd Warner, page 15. For his answer he had the help of over 8,000 business leaders, who confided how they made the grade.

Pages 18 and 19 are this month's picture pages. Eight photographs show some of the more interesting current business events.

Some observers say it's a "near miracle." They are referring to the neighborhood rehabilitation job going on in Chicago's famous "Back of the Yards" area. For here, the people have banded together in a neighborhood council and are well on their way toward eliminating a city sore spot. Their action has not only halted the flight to suburbia but has reversed the trend. Probably the most unique feature of their program is that they are doing the job themselves. June Blythe's article, page 20, tells of the paint parade going on a few miles southwest of Chicago's loop. It's a lesson in determination, with no secret formula involved.

**Our Cover** Hovering over the downtown Chicago horizon is a mail carrying helicopter. If all goes well in Washington, it will be replaced by passenger carrying helicopters, probably well before 1956 goes down in history. They will provide a much-needed fast shuttle service between Chicago's two large airports and between the airports and a downtown heliport. Future plans call for service between the airports and surrounding communities. After bigger equipment is available, commuter service between the suburbs and downtown Chicago is feasible. The article, starting on page 16, explains some of the services in store for Chicagoans.





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# The Editor's Page

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## ***Giving Credit Its Due***

Not a little concern has been expressed in recent months about the growth in the use of installment credit which played such an important part in sparking 1955's record high level of business. In view of this, it is encouraging to hear something on the other side of the picture from the president of one of the leading companies extending such credit.

Arthur O. Dietz, president of C.I.T. Finance Corporation reports that while American consumers set new records in their use of installment credit last year, they also compiled the best payment record in history. Based on his company's experience, Dietz said, fewer than one in every one hundred time buyers in 1955 was delinquent in his payments at any one time. In total, installment buyers paid some \$31.5 billion during the year in installment purchases. During 1956 Dietz estimates that consumers will pay back some \$33.5 billion on installment contracts.

The largest share of installment credit, of course, is involved in automobile purchases. Last year 10 million installment buyers completed payments on their cars. In 1956 9.2 million more are expected to make final payments. These figures emphasize the often overlooked fact that consumer installment credit is not a fixed debt hanging permanently over the heads of the same group of people. Instead it is constantly turning over — old accounts being paid and larger equities being established — with newly created obligations being placed on the books each day by new people who act on their individual current expectations.

## ***Dollars For Progress***

The sums spent on industrial and scientific research in the United States should reach another new high in 1956, according to estimates of Clyde Williams, president and director of the Battelle Institute. On the basis of the ratio of expenditures on research to gross national product, Mr. Williams predicts that the new year will see \$4.5 billion so spent, compared with \$4.1 billion in 1955 and \$3.75 billion in 1954.

Although these figures represent but one per cent of the nation's gross product, it is difficult, if not impossible, to exaggerate their importance. To whole industries and to individual companies successful research or lack of it today can mean the difference between prosperity or decline and possibly even slow death. To consumers, these dollars committed to developing new products, better products or better ways of doing things offer one of the greatest single assurances of an increasingly abundant life. They are also one of the most potent stimulants to compe-

tition in a free economy. And competition in turn spurs more and more investment in research.

This creative cycle, as Dr. Williams sees it, has a long way to go before returns from research may begin "to diminish disproportionately." Investment in overall industrial research can double, triple or even quadruple before that point is reached, according to Dr. Williams.

## ***At Last -- More Light, Less Heat***

A new vista in labor relations is being opened up by an experiment in Alabama. At the state university some 30 union men are attending classes two hours a day five days a week to learn how to avoid strikes. These men are receiving training in the step by step handling of grievances, one of the sorest problems in the day to day relationships of management and worker. The men are learning the best methods of getting the facts, evaluating them and deciding on a course of action.

The special classes were organized by the university at the request of unions concerned over strikes on the Birmingham Division of the Louisville and Nashville Railroad.

J. C. Laney, chairman of Local 156 of the Brotherhood of Locomotive Engineers, says:

"Wildcat strikes cost us a couple of days in August and four days in October. Aside from that a lot of our customers are getting disgusted and going elsewhere for their transportation needs.

"In the October strike nobody even knew what the grievance was. The first the L&N knew there even was a grievance was when they found out the trains had stopped running. That strike could have been avoided. Absolutely."

He explained that "we don't have trained men on our local grievances committees so we aren't able to handle some of the grievances properly. When a grievance is not settled right, it grows and grows until it works into a strike."

Besides Mr. Laney's group, unions participating in the training include the Conductors and Brakeman's Union, the Trainmen's Union and International Brotherhood of Electrical Workers.

The unions are receiving a lot of queries about the course from other unions. Mr. Laney says: "We hope it will be contagious and spread through the L&N system and maybe to other roads."

Every worker and every member of management could add a heartfelt amen to Mr. Laney's hope.

*Alan Sturdy*

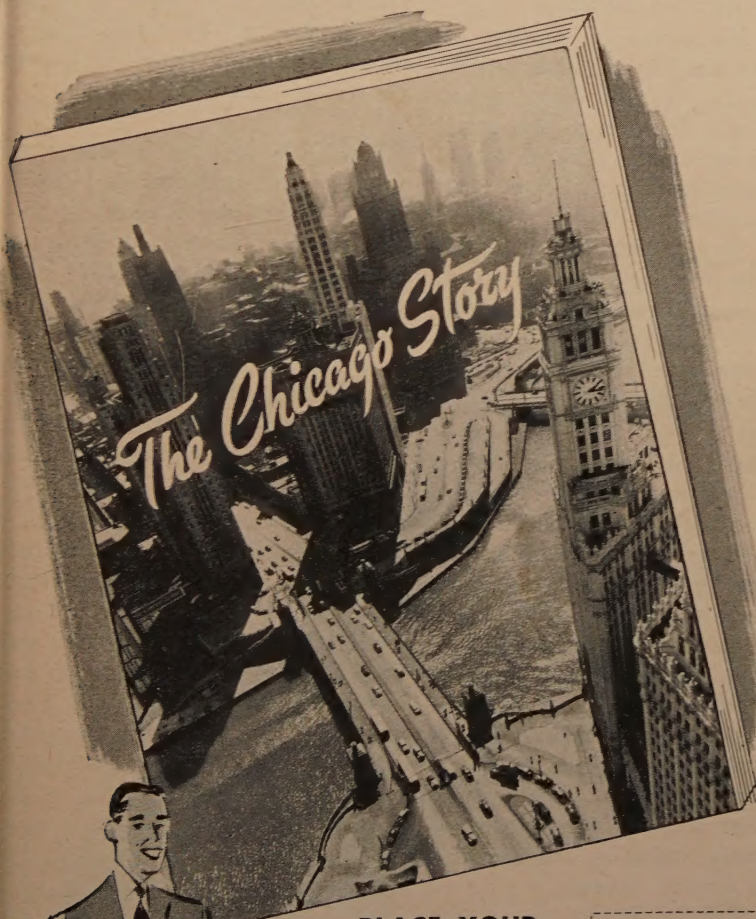






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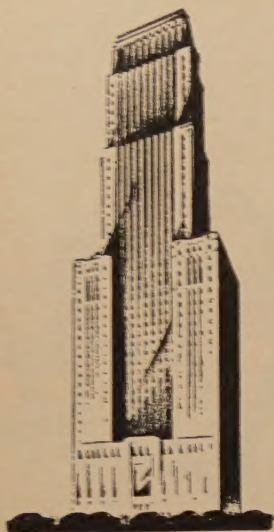
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## Trends . . . in Finance and Business

• **Labor Force Survey** — The distribution of goods has employed a rapidly increasing share of the nation's labor force since 1930, Dr. Harold Barger, Columbia University, reports in a study made by the National Bureau of Economic Research. Over the same period the share of the labor force employed in production has declined.

Despite the increasing number of workers absorbed by the distribution industries, the cost of distribution, measured as a fraction of the retail dollar, has not increased since World War I, according to Dr. Barger. Output per man-hour in the distribution industries has increased but much less than in production. In distribution the increase was 20 per cent between 1929 and 1949, compared with an increase of over 66 per cent in manufacturing, mining and agriculture.

The share of the retail dollar going to retailers and wholesalers has been stable since World War I. Year in and year out the retailer and the wholesaler together have taken about 37 cents out of every dollar spent for finished goods. But distribution cost varies sharply among different commodities and by type of store, Dr. Barger reports. In recent years, distribution cost has taken more than 50 cents out of every dollar in four types of retail outlet, milk dealers, restaurants, bars, and jewelry stores.

Chain stores have the lowest distribution margin, taking 20½ cents out of every customer's dollar. Margin for chain shoe stores is 28 cents compared with 43 cents for independent shoe stores. On the other hand, there is little difference in margin between independent and chain furniture stores, 45 and 44 cents respectively.

Since the 1920's the fraction of the labor force engaged in distributing commodities has increased sharply while the fraction engaged in producing commodities has declined. In 1950, one worker out of six was engaged in commodity distribution as compared with one out of eight in 1930. Over the same twenty year period, persons engaged in commodity production declined from one half of the labor force to two workers out of every five.

• **Outlook for Graduates** — Jobs for college graduates in 1956 will reach the highest peak in recent years and salaries will be higher than at any other time in history, according to the tenth annual nationwide college employment survey. The survey, covering 160 companies throughout the United States, was conducted by Dr. Frank S. Endicott, director of placement at Northwestern University.

The employers reported they will seek about 30 per cent more college men than they hired last year. In engineering fields, the demand for college men is up 47 per cent, reflecting an increased backlog of unmet needs from previous years. The demand in other fields is greatest for men with training in general business, sales, and accounting.

Jobs for women are fewer in business and industry but employers reported a need for women with secretarial training or with majors in chemistry or mathematics.

College graduates can expect higher starting salaries than ever before, the report said. The average starting salary for engineers will be \$394 a month, about \$23 higher than last year. Graduates with non-technical backgrounds will be offered about \$354 a month to start.





This is an increase of approximately 4 over last year.

College women with science training will start at about \$340 a month, while those with general backgrounds will be offered about \$260 a month.

**Capital in Use** — A total capital investment of \$175 billion was necessary in 1954 for the operations of America's manufacturing corporations in order to produce goods and keep people employed, according to a report prepared by the National Association of Manufacturers' Research Department from government statistics.

Of this total investment, \$66.4 billions was tied up in land, buildings, tools and machines. Inventories accounted for \$43.3 billion. Receivables, the amount owed by customers on the orders they received but had not yet paid for, came to \$23.8 billion. Cash on hand, or invested in U. S. Government bonds, amounted to \$28 billion.

**Make Quarterly Reports** — A record 90 per cent of the companies

listed on the New York Stock Exchange are now issuing quarterly earnings reports. Of 1,099 companies listed on the Exchange on November 15, 1955, 987 issued quarterly reports.

This is a far cry from the Civil War Reconstruction period according to a report from the Exchange. In 1866, a well known corporation informed the Stock Exchange—in response to a request for an annual financial report—that it "made no reports and published no statements and had not done anything of the kind for the last five years!"

United States Steel Corporation was probably the first big company to issue quarterly earnings, according to the Exchange. With the exception of the first and second quarters, which were combined, quarterly reports have been issued since the corporation's formation in 1901.

While the Stock Exchange has conducted a campaign to persuade its listed companies to report quarterly, such a procedure is impractical for some enterprises. For instance, meat packers, ship-builders and sugar companies have peculiar inventory or accounting problems or

are dependent on a crop year, making it virtually impossible for them to publish accurate comparative income statements every three months.

• **Accept 98 out of 100** — Nearly 98 out of every 100 applications for ordinary life insurance are now accepted, 7,130,000 such applications being approved in 1954, the Institute of Life Insurance reports.

All but 170,000 life insurance policy applications were accepted last year. Of those accepted, the great bulk were at standard rates, about 8 per cent being under extra risk policies at some additional premium.

Of the 170,000 applications declined, only about one-half of one per cent were declined for occupational reasons.

Heart disease was the leading cause of declination, accounting for about 90,000 such cases in the year. However, many persons with minor heart ailments were accepted for life insurance, an estimated 135,000 such cases being accepted under extra-risk policies in 1954.

Abnormal weight, chiefly over-

(Continued on page 34)



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# Planning Productive Executive Bonuses

BY ARCH PATTON

*The problem is to develop a knowledge of executive  
actions that increase profits—and reward them*

THERE is a rapidly growing trend in industry toward the use of executive bonuses. The American Management Association Executive Compensation Survey indicates that the number of bonus-paying companies has more than doubled in the past decade. In 1945, one company in five paid executive bonuses. The proportion jumped to two companies in five by 1949, and to one company in two last year. In percentages, bonus paying companies were 21 per cent of the total in 1945, 40 per cent in 1949, and 49 per cent in 1954.

Although supporting statistics are not available, it has been my experience that the popularity of incentive-type bonus plans—as distinct from the profit-sharing type that pay bonuses in direct proportion to salaries—has stepped up at an even faster rate.

Executive incentive plans are nothing new. The highly-regarded General Motors Corporation bonus plan has been sparking the dynamic

growth of that corporate giant for more than one-third of a century.

However, the evidence is overwhelming that a successful incentive plan—one that produces above-average profit gains for the company—involves a great deal more than merely securing stockholder approval. Among 50 plans studied some years ago, only one bonus plan in seven was regarded as productive by management itself. My own exposure to this problem since then indicates that the chances of long-term success have not improved much.

## *Two Year Honeymoon*

A new bonus plan has a honeymoon period that lasts approximately two years, and many a top management has mistaken the watchful waiting of lower echelon executives during this honeymoon period for understanding and acceptance. The early years of a new bonus plan are all too frequently followed by disillusionment when the executive group realizes that top management's bonus actions belie the glowing words that accompanied the launching of the plan.

In all fairness, many highly successful companies do not use executive incentives at all. In fact, certain industries find it unusually difficult

to develop an effective incentive compensation plan because of built-in hazards. For example, the public utility and oil industries are organized on a basis that makes teamwork more important than individual action. The team, like a convoy of ships during wartime, slows down to match the ability of the slowest key member of the group.

This teamwork environment is an industry characteristic that severely inhibits management's capacity to select the good performer from the poor—a necessary ingredient in a real incentive plan. This condition explains in large measure the scarcity of incentive plans in these industries and the relatively short history of those that are in operation.

In the light of industry's experience with executive incentive plans in recent years, what are the elements that make for success? Which lead to failure? And what trends are in evidence today that will affect the future of incentive compensation?

If there is any one key to an effective, profit-producing incentive plan, it lies in consistent administration on a basis that rewards outstanding work and penalizes poor work.

When you say this quickly, it sounds easy. But industry's closets are bulging with the skeletons of in-

The author is associated with McKinsey & Company, management consultants. This article is adapted from an address delivered by him at the annual meeting of The American Society for Personnel Administration.

Every step in developing incentive compensation for executives must be carefully planned before any move is made.



centive plans that died because top company management was unable to create the environment necessary for a long life. In simplest terms, this means being tough-minded enough to choose between the "men and the boys" on the basis of their individual performance, and having a rational basis for such judgment of performance.

Both are essential. If the "good old Joes" in a company whose only claim to fame is that they have worked for the company for 30 to 40 years get the same bonus treatment as an executive whose drive and judgment creates the profits, the necessary environment is not being created. This "good-old-Joe" approach is advocated as a morale builder. I'm not sure what morale means in this context, but the effect is to make the inadequate executive feel he is doing all right, and to discourage the really productive executive.

### **Consistent Approach**

E. I. du Pont de Nemours and Company, General Motors, and other decades-old incentive plans have had the time needed to develop a consistent approach to incentive compensation at all levels of management. This maturing process can be greatly speeded up. It means thinking through a philosophy of incentive plan operation that meets the needs of the individual company and securing a common understanding of this philosophy at all levels of management. The payoff of such pre-planning is frequently the difference between a productive incentive plan and one that simply increases overhead.

Some of the important points that might be covered by such an incentive philosophy are:

1. The number of executives eligible for incentive compensation: When too many are included, the stockholder may well be penalized.

2. The balance between reward and penalty: Eligibility offers opportunity, but participation—or the receipt of a bonus—should reflect individual contribution to profits. The withholding of a bonus is an incentive; and the payment of an unearned bonus is incentive in reverse.

3. The proportion of bonus-to-salary by levels: There is considerable evidence that different bonus

"bogeys" — or percentages to salary — should be set for varying salary levels. The greater the responsibility—hence the higher the salary—the greater the bonus-to-salary ratio will normally be.

4. Allocating the small bonus fund: When lowered profits reduce the bonus fund, it can be spread thinner or concentrated on the real producers. Either step can profoundly affect the future productivity of an incentive plan, but in different directions.

5. Recognizing the varying degrees of difficulty involved in performance when making comparisons between executives: Profits on invested capital are a sound performance yardstick for management. Yet the competitive difficulties surmounted by an individual executive often overshadow statistically poor profit results.

Incentive plans usually fail because of poor administration, and this all too frequently results from the inconsistent bonus treatment accorded individual executives. When a president allocates \$500,000 to 250 executives on a Saturday morning (this actually happened!), the judgment applied to each individual bonus decision will be open to question.

Other kisses-of-death where incentive plans are concerned might be listed as follows:

1. The too-small bonus: A fund yielding less than 20 to 25 per cent of salary in a good year should raise an eyebrow.

2. Bonus paid as a per cent of salary: The so-called profit-sharing approach rewards both the outstanding and the poor performer equally. It applies no penalty for indifferent work.

3. Poor organization: If responsibilities are vague, it is difficult to "put a finger on" the real profit contributors, and the below-par group.

4. Lack of performance yardsticks: There is a growing realization among companies having incentive plans that one of their greatest values lies in training executives to concentrate on the profit-making aspects of their jobs. This means: they must know what these key responsibilities are, and results should be appraised on some more realistic basis than the color of their eyes.

There are, of course, other reasons for failure. But they usually stem

from a top management that does not quite understand its responsibilities where an incentive plan is concerned.

There can be little doubt that the industry today is on the verge of frontal attack on one of the last frontiers of seat-of-the-pants management, for the stage is being set for fact-founded appraisals of executive performance.

Our firm has already done some exploratory work in this area, and has started a major effort to develop a coordinated approach to appraising executive performance for large, multi-division client.

To date, industry has pretty largely limited its efforts to measuring the effectiveness of positions carrying full profit responsibility, such as the manager of a make-and-sell division. Results have been excellent where time and talent have been expended.

However, jobs subordinate to full profit positions are still largely virgin territory. The stopper has been an inability to find sufficiently tangible functional profit contributions—much less apply performance yardsticks to them.

### **Appraise Performance**

The most likely approach to appraising executive performance for incentive compensation lies in recognizing that certain key jobs are more important to this process than others. For example, the performance of fully profit responsible executives can be judged with considerable precision. When this has been done, the cost-and-income jobs—manufacturing and selling—can be "slotted" into the incentive compensation framework erected for fully profit responsible jobs. Finally, when these two groups have been evaluated, the contribution of the various staff jobs such as personnel, accounting, and engineering, can be fitted in with a minimal risk of serious error.

A top personnel vice president once remarked: "I spend 98 per cent of my time on problems involving employees whose interests are well represented by their unions, and barely two per cent on problems involving the hundreds of executive and near-executives who represent the past, present, and future of this

(Continued on page 37)



# What Are Your Chances To Be Boss?

Do you have to marry the president's daughter or what?

Here are the answers to who gets to the top and why

**W**HAT are the true facts about the opportunity to get ahead in the United States? Do the boss's son and the boy who marries the boss's daughter monopolize all the roads for advancement to top positions in business and industry? Is American business offering less and less opportunity for the ambitious and energetic young man to work his way to the top of the heap?

These questions can be answered confidently. The chances of the laborer's son winding up as chairman of the board, or vice president in charge of production are greater now than ever before. True, the boss's son has a sizable head start in the struggle for business success, almost one-quarter of America's top executives are either the sons of the owners of big businesses or of major executives. But only one eighth of today's top executives are grandsons of business leaders; even fewer represent families with several generations in top positions of business.

## An Early Study

A generation ago, two Harvard sociologists and economists conducted a major study of American executives. Commenting on the situation as it existed in 1928, F. W. Taussig and C. S. Jocelyn wrote, "It is entirely possible by the middle of the century that more than two-thirds of the successful businessmen in the United States will be recruited from the sons of business owners (large or small), and from business executives (major or minor)."

To check this prediction, and an-

**BY**  
**W. LLOYD WARNER**

swer other questions concerning America's top business leadership, James C. Abegglen, instructor in the University of Chicago's Committee on Human Development and I embarked on an extensive study of the big business executive.

We were interested in what his social origins told about the opportunities for advancement. We wanted to know who the parents of the business leader were, where he came from, the social status of the parents of the girl he married, where he was educated, how long it took for him to get to his present position. We wanted to look beyond the outer data and find out about the inner man, to examine those things in his private world that contributed to his drive for success, how he looked upon his friends, how he behaved as a husband and a father.

Our technique requires only brief description. We mailed a four page questionnaire to 17,546 of America's top business leaders. The questionnaires were completed by 8,562 of these leaders. What these business executives told us forms the statistical core of our study. In addition, we conducted intensive interviews both at home and in the office of representative business leaders and interviewed their wives as well. Answers to the questions of the interviewers, plus the results obtained from the Thematic Apperception Test gave additional insights into the personalities of these executives.

Our findings and their implications are reported at length in the book, *Big Business Leaders in America* (Harper's), and our techniques,

together with detailed tabular results, appear in *Occupational Mobility in American Business and Industry, 1928-1952* (University of Minnesota Press). Both volumes appeared in November, 1955.

In establishing the fact that opportunity to get to the top still exists in the United States, we began by considering the social origins of today's top executives. We found: eight per cent were the sons of the owners of large businesses, fifteen per cent were the sons of major executives, eighteen per cent were the sons of owners of small businesses, eight per cent were the sons of minor executives, three per cent were the sons of foremen, thus only 49 per cent of these top executives came from the classes that Taussig and Jocelyn expected to provide more than two-thirds of the executive material by mid-century.

## Laborer's Sons Too

Moreover, fourteen per cent of these executives were the sons of men in the professions; eight per cent were the sons of white collar workers; nine per cent were the sons of farmers; fifteen per cent were the sons of laborers; two per cent came from families in the armed services, politics, and government.

Obviously, it still helps to be the boss's son. The proportion of the sons of business owners and executives in top positions is several hundred times higher than their proportion in the general population. Figured on the basis of the "mobility rate," in which the figure of 100 means that 100 top executives should be expected to originate from any given social group on the basis of

(Continued on page 25)



# Coming: Eight Minute Trips From Loop

Await approval to start helicopter passenger service between airports



Converted to commercial service, this ship would carry 16 passengers

By

**TOM CALLAHAN**

THE helicopter hovers over the Chicago horizon. It needs only an okay from Washington to light in the downtown area and start giving a much-needed, fast passenger service to outlying points around the city. That approval may come this month; the service, about six months later.

Proposed first is a service from a downtown heliport to Midway Airport, eight minutes flight time; from downtown to O'Hare Field, 12 minutes flying time; and between Midway and O'Hare, 12 minutes flying time.

## To Serve Suburbs Too

As soon as enough equipment is available, passenger service would be provided from the two airports to points north as far as Racine, Wisconsin; west, as far as DeKalb and Aurora, Illinois; south, to Wilmington and Kankakee, Illinois; and southeast, to Michigan City and LaPorte, Indiana. The number of stops at communities along these routes would depend on the demand for service.

Ultimately, although not a part of the present proposal, commuter services between Chicago's downtown and outlying suburban areas could be started.

The cost of the inter airport or airport to downtown ride would be \$5. The price of the ride is expected



At left: Proposed routes for helicopter passenger service in Chicago area. The heavy triangle route would be the initial service between the airports and downtown, with the downtown stop being a proposed landing site at Monroe street parking lot in Grant Park



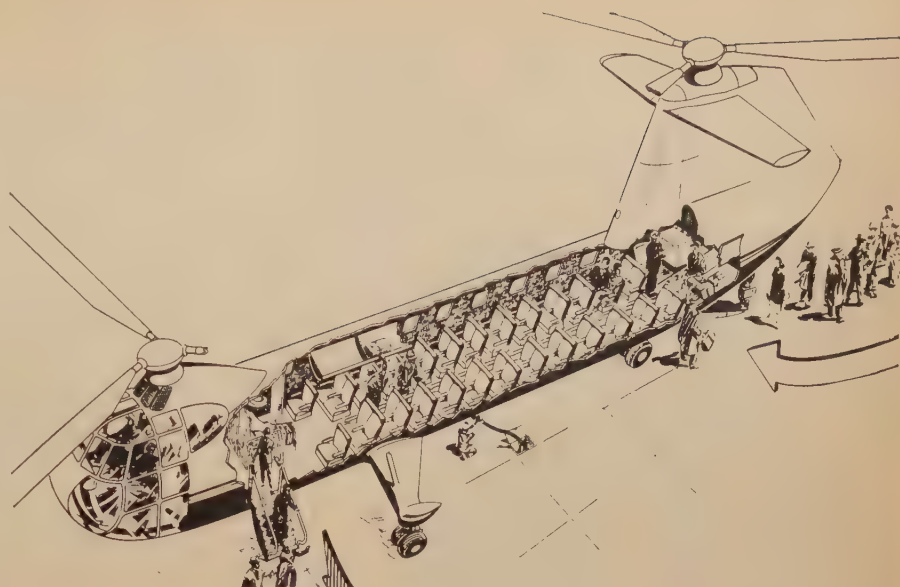
# To Airport

and downtown heliport

to drop to around \$3 a trip for passengers either arriving or departing from Chicago, travelling on airlines that include the service in a package deal. In other words, an inbound passenger would buy his ticket from his home town to Chicago, designating his point of destination as the airport of arrival or the downtown area. The same arrangement could be made for transferring from either airport to the other or for trips originating from Chicago's loop.

This passenger service has been proposed by Helicopter Air Service, Inc., the company that has been delivering mail via helicopter in the Chicago area since 1949. Its application for permission to inaugurate a helicopter passenger service was made to the Civil Aeronautics Board in 1954. Since then comprehensive public hearings have been completed, the CAB examiners have made their report and the application is now before the board for the final decision.

The type of service proposed by HAS is not experimental. New York Airways started a similar passenger service via helicopter in July, 1953. In its first two years of operation,



Proposed helicopter which would carry up to 50 passengers

NYA carried over 20,000 passengers between three New York area airports and five surrounding communities. Los Angeles Airway, Inc., is doing much the same in southern California.

## Loop Service

The Chicago service would have one big improvement over the New York and Los Angeles operations. It would include flights right into the downtown area from the local airports. The east and west coast services are primarily inter airport flights.

The Chicago downtown heliport would be located at the southern end of the Monroe Street parking

lot in Grant Park. It would be the first such heliport to be located in the heart of a major metropolitan area in this country.

By coincidence the permit to use the heliport site in Grant Park parallels a similar grant in 1918 to the Post Office Department to use almost the identical location for the beginning of the Chicago-New York leg of the first transcontinental air mail route. It was used as an air mail landing strip until 1920.

Today the site is only 1,200 feet from what is known as "airline corner" (Wabash and Monroe). Almost all of the major airlines have ticket office facilities on or near this corner. Helicopter passengers would

(Continued on page 38)



This type eight-passenger ship would operate in Chicago



HAS ship landing at suburban heliport with mail

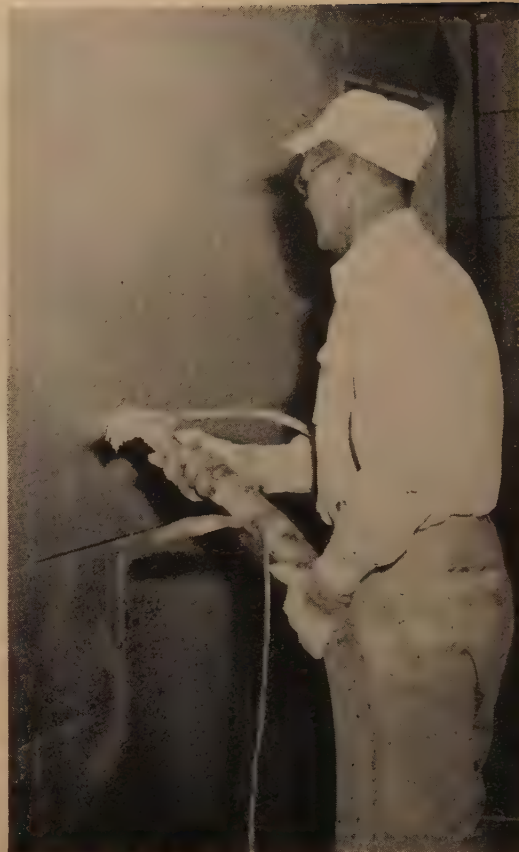


# Business Highlights



A group of state and city officials (left) led by Governor William G. Stratton, second from left, are shown inspecting the underground natural gas storage field of the Peoples Gas Light and Coke Company, at Herscher, Illinois, where a \$7.5 million expansion program is nearing completion. Storage field desulfurization plant equipment is seen in the background

The first machine-application of plaster in Chicago's residential construction history is demonstrated by a workman (right). Using Zonolite Company's vermiculite plaster aggregate, the machine which pumps the plaster through a hose and nozzle for spraying is said to save at least 50 per cent of plastering time



The lady, on the left, is going through 350 motions to type three lines of copy. The same lady, on the right, using a new photo-copying machine reproduces the same three lines of copy with six movements. In both motion studies, the model and machines were first photographed under ordinary conditions with the use of strobe lights to retain a clear picture. Then the model, in exactly the same positions, was draped completely in black, including black gloves, against a dark background. Battery powered lights were then wired and mounted on top of her hands. With only the small lights bouncing in the dark, the lens was opened and the movements were captured in double exposure on the film of the first photograph. The circular inserts show the noise of each operation. The study was made by American Photocopy Equipment Company, 1920 West Peterson Avenue, Chicago 26, Illinois, makers of the photocopy machine







The product development laboratory of Sears, Roebuck and Company, 14th and South Kostner Avenue, Chicago, Illinois. Formally opened in December, the laboratory will serve as the basic research and development center for Sears' seven paint, resin (varnish), and wallpaper factories



(Left to right) Governor W. G. Stratton, U. S. Senator E. M. Dirksen, C. M. Shanks, President of Prudential Insurance Company, J. E. Rutherford, Prudential vice president and Mayor R. J. Daley insert a "time capsule" into the cornerstone of the new Prudential building in Chicago. The capsule carrying predictions of the future will be opened in 2000

A complete chemical fertilizer plant, fabricated by The American Boiler and Tank Company, 2720 Hillock Avenue, Chicago 8, Illinois, being loaded aboard ship for delivery in Venezuela. Shipped via water routes from Chicago, the shipment cost \$8,700, a saving of 40 per cent from an estimated \$15,000 shipping cost via land and water routes according to American Boiler officials



This 186-foot dump scow launched at Ambridge, Pennsylvania, by United States Steel Corporation's American Bridge Division, will sail out of Chicago for the Great Lakes Dredge & Dock Company. One of its unique engineering features is that mechanically operated doors dump 1,500 cubic yards of refuse in a matter of seconds from eight separate compartments



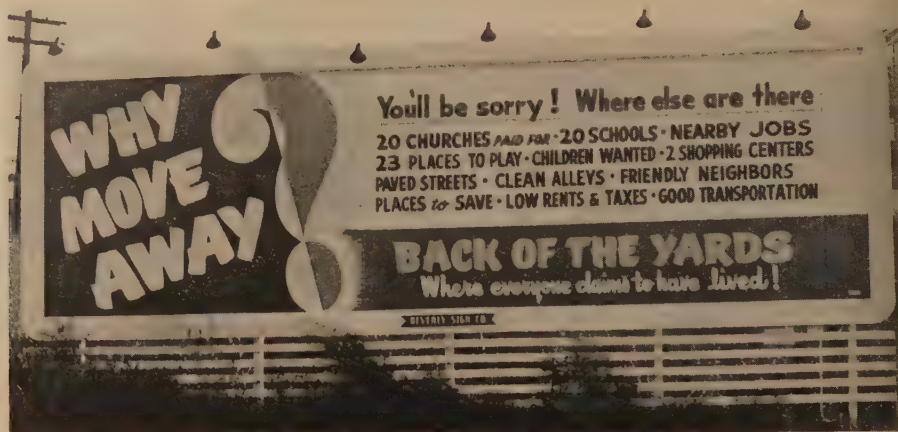


# "Back of the Yards" Reverses the Flight

**A**T Ashland Avenue and Thirty-ninth Street in Chicago's famous Back of the Yards district, lies a corner field where generations of neighborhood children have played. Half a century or more ago, they scavenged for grubby prizes in the filth of what was then a neighborhood dump, or slid down greasy banks into the gaseous muck of Bubbly Creek, the dead-end arm of the Chicago River from which the field took its name.

This winter, newly filled and graded, the field rings for the first time with the clash of children's ice skates, glittering at night in the glow of new floodlights. Shiny backstops stand anchored in fresh top soil, ready for the coming summer's softball. And the field has a new name.

As Bubbly Creek passes into history, Daley Field emerges to symbolize a revitalized community that is



Some fresh paint and lots of determination are dressing up one of Chicago's old neighborhoods and making it a desirable place to call "home"

**By JUNE BLYTHE**

lifting itself by its own bootstraps. Continental Can Company rents Daley Field for \$25 a year to the Back of the Yards Neighborhood Council, which supplies the equipment, maintenance and supervision. The new playground illustrates how

residents, local businesses and industries cooperate through their own indigenous organization to create what observers have called a "near miracle" in neighborhood rehabilitation.

Here, in one of the city's oldest communities, fifty-seven new homes ranging from \$15,200 to \$26,900 have risen in two years, while owners of 2,340 existing homes have remodeled or improved their properties at costs of from \$400 to \$11,000. This program, underway less than three years and covering the territory from Thirty-third to Fifty-fifth Streets, between Racine and Western Avenues, already totals close to \$3 million, entirely financed by the home owners, backed by the private credit of the banks and the thirty-four savings and loan associations in the area.

Here the flight to the suburbs not only has halted, it has reversed. Two families in the area's newest housing development, Destiny Manor, returned to the neighborhood after experiencing costly inconveniences in new suburban homes.

Financial institutions which ten or fifteen years ago refused to make building or improvement loans in



This dilapidated house was converted . . . into this attractive home



# To Suburbia

ne area today vie with each other to contribute prizes for the best home remodeling. Cash awards run as high as a thousand dollars; others include all-expense trips to Florida, New York and Washington. Runners-up enjoy the consolation of plentiful publicity in the influential community paper, the *Back of the Yards Journal*.

## Tour Reveals Changes

A tour of side streets, behind the bustling intersection of Ashland Avenue and Forty-seventh Streets, reveals the physical aspects of the change. Streets stretch clean and free of litter in every direction; alleys, if possible, are even cleaner than the streets. In contrast to the dull gray prevalent in most middle-aged neighborhoods, new paint in white or cheerful colors shines on door and window frames. Cement porches with metal railings and colorful siding transform well-worn structures into attractive homes, in a style affectionately dubbed "Back of the Yards Modern."

Here and there a new foundation projects strength into formerly sagging walls, and everywhere the yards show care and grooming, inviting even in the winter's cold. This "bright as new paint" look startles the visitor who has just passed through surrounding territories, some older, some younger, but all more or less gray.



Vacant stores have been remodeled into desirable living quarters

The reasons behind the new paint, the spirit that is raising new homes, lie in the people who live there and the organization they have built to represent them.

Back of the Yards, historically, has been one of the first "reception centers" for Chicago's successive waves

of immigration. Irish, Lithuanians, Poles, Slovaks, Czechs, Bohemians, Germans and Mexicans were among the seventeen national groups which came to America seeking work and freedom and stayed to settle in this central industrial community. Cultural differences combined with the



This is "Destiny Manor," another project to revitalize the area



Neighbor helps neighbor back of the yards



Organized activities have helped curb delinquency



insecurity of strange new surroundings to produce antagonisms so deep that even the clergymen of the various language churches, though sharing the same predominant Catholic theology, avoided each other on the streets. Moreover, as newcomers, the residents started at or near the bottom of the economic ladder. This was the neighborhood Upton Sinclair described in "The Jungle."

But these very disadvantages developed in the people a strength and realism that served them well when, sixteen years ago, they began an experiment in local organization. With the help of Bishop Bernard J. Sheil, criminologist Saul D. Alinsky, and Joseph B. Meegan, then a neighborhood park director, these diverse groups formed a delegated body they called the Back of the Yards Neighborhood Council.

### **Purpose of Council**

The council's purpose, state its by-laws, is to unite "All organizations within the community . . . in order to promote the welfare of all residents of that community regardless of their race, color or creed, so that they all may have the opportunity to find health, happiness, and security through the democratic way of life." The board, which meets monthly, is comprised of one representative each from 204 organizations — churches and their affiliated groups, fraternal and nationality organizations, business and labor, veterans, nurseries, settlement houses, parks, playgrounds, Parent-Teacher Associations, store front clubs, social groups and civic organizations. These groups also send from four to five hundred delegates to an annual Community Congress to elect officers and determine basic program.

Ten staff members and committees of delegates, which are established as needed, carry out the program. Eight standing committees currently mobilize neighborhood resources on health, housing, crime and delinquency, safety, recreation, nutrition, education and a credit union. The work falls into two categories: (1) direct service to neighborhood families and individuals; (2) initiation of community action to meet community needs.

Council delegates early adopted as their motto "We, the people, will work out our own destiny," and they have proceeded to do just that. Do

weeds in vacant lots threaten the health as well as the carefully nursed lawns of neighbors? The Council hires a spray truck and promptly disposes of them. (In recent years the city has assumed this obligation, billing lot owners for the service.)

Has a teen-age boy been picked up by police for questioning? The Council, notified immediately by the police, calls a private conference with the parents, school teacher or principal, family clergyman and whatever police or court officials may be concerned. If the problem grew out of family difficulties, the Council helps solve them. No preaching here, but neighbor helping neighbor root out the problems that cause delinquency in the first place, whether illness, debt, or that "one drink too many" behind a family quarrel.

In consequence, the community's Seventeenth, or New City Police District enjoys one of the lowest crime and delinquency rates of any location in Chicago. The Council employs a full-time director of delinquency prevention, Captain Matthew Murphy, veteran of thirty-two years with the Chicago Police Department. Its committee on crime and delinquency reports: ". . . the only problem that our children gave the police department on Halloween was trying to provide enough candy and goodies for tricks and treat! For the fourth consecutive year, no complaints were received . . . concerning pranks on Halloween." Nor can a broken window be found in the neighborhood's schools.

Is there a labor problem in a local business or industry? Whether it's a strike or a help shortage, the Council moves as directed by its members and maintains the respect of both employers and employees.

### **Assistance Provided**

If a local store or plant needs help, whether in an emergency or for permanent jobs, the Council supplies employees through its job referral service. Forty Council board members recently helped a local department store handle a sale rush that exceeded the store's expectations. Or, in the past year, the 105 companies comprising the nearby Brighton Park Industrial Council, have hired 1,115 employees through this job service.

Does heavy traffic make a street

dangerous to housewives and youngsters? The Council's safety committee moves in to obtain better traffic controls, such as the stop lights at Forty-seventh Street and Damen Avenue, or the new speed limit sign along Loomis Street. And in keeping with the area's do-it-ourselves motto, the St. Joseph's Boy Scout Troop painted three hundred and thirteen street corners with stenciled signs cautioning "Green light—Look both ways!"

### **Lunch Program**

Through its nutrition committee the Council co-sponsors the Federal State School Lunch Program in 153 Cook County schools. The Council led in the initiation of the school lunch program many years ago, in both the state and nation. The health committee helped turn out 7,738 residents for free chest x-rays in a two-week period, arranged and aided a survey by the Chicago Dental Society of 7,558 children in sixteen schools, delivered 58,000 signatures in support of water fluoridation to Chicago's mayor, and works year round on rat abatement, garbage disposal, community clean-up and similar general health matters.

At the most recent of the monthly Council meetings, which are rarely attended by less than 110 delegates, the nature of the close working relationships between these busy committees and the community as a whole was apparent. The recreation committee chairman, Don DeFalco of the University of Chicago Settlement, reported that nine groups from schools and playground to the local Y. W. C. A., had requested and received Council funds to aid their children's Christmas parties. A middle-aged woman, perhaps with an eye to her own parent-teacher club, rose to ask how organizations could obtain such help. DeFalco responded, "It's your committee — if you know any groups that need help, tell them to send a representative." At which Meegan boomed out, "It's your money — Come and get it!"

A discussion at this same meeting of the Council's Christmas basket program revealed another clue to the area's transformation. Meegan asked the delegates to hand in the names of families needing baskets, so the Council could supply them. "There probably won't be many, though,"



added with a gratified chuckle. Last year there were only thirty — a far cry from 1939, when we worked all night to get out twelve hundred baskets."

Over-all employment conditions have much to do with Back of the Yards' rising prosperity, but equally important are the Council's aggressive efforts to help push residents into the most stable forms of employment and into higher income brackets. Three-quarters of the locality's wage earners now work in diversified industries and businesses across the city, the majority in the Central Manufacturing and Brighton Park districts. And in the present tight labor market, many housewives and mothers work part if not full time.

Better money management offers another index to the region's economic stability, demonstrating, too, why the Council's methods succeed where formal "education" often fails. The Council conducts a credit union, open to any resident who belongs to a group represented in the Council and who purchases at least one \$5.00 share. Loans, at a nominal interest rate, must be approved by the credit union board, and neighbors, at least a few of whom are apt to know the applicant personally, comprise the board. If they feel the applicant spends his income unwisely, they can and do insist that he follow a better budgeting program to qualify for the loan.

#### *Financed by Residents*

The residents, themselves, finance most of this activity. Some phases of the program receive help from the Community Fund, but the bulk of the current Council budget of some \$52,000 a year comes from an annual fair, held every July at Forty-seventh Street and Damen Avenue. The Council responds with a polite but firm "no, thanks" to offers of cash contributions, but happily accepts gifts of services.

For example, a utility company, impressed by the conservation program, recently proffered a substantial cash contribution. The Council refused the money, but suggested an alternative, which the company granted. Three utility employees were put to work assembling conservation pamphlets in the Council's offices at 600 S. Ashland Avenue.

A positive, determined approach

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# MEMO: TO THE MAN WHO IS GOING PLACES...

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to all of the problems of its people and a spirit not merely hopeful but helpful, have enabled the Council to weld this melting-pot community into the force that is so successfully tackling deterioration. One of its organizers, Saul Alinsky, explains: "You couldn't get this kind of conservation program going solely on the physical, brick-and-stones aspects of housing and rehabilitation."

## *Neighborhood Contrasts*

The contrast between the Back of the Yards program and that of a nearby neighborhood underscores Alinsky's point. A couple of miles away lies a neighborhood with, originally, fewer problems. Its residents were more homogeneous, its income levels somewhat higher. Inevitably, however, it also suffered from the drift toward aging and increasingly overcrowded homes. In 1946, its concerned residents started to make plans and seek government aid. First months, and now years, have slipped away in talk and planning. A few discouraged residents started moving out, thus encouraging others to follow, and in their places came speculators and conversions. Today, the neighborhood has deteriorated to the point where probably only costly clearance and redevelopment can raise it to acceptable standards. Back of the Yards residents, with satire but sympathy, have nicknamed it the "Promised Land."

The conservation program began with a meeting on July 2, 1953, at the Stockyards Inn, attended by realtors, executives of banks and savings and loan associations, representatives of the Federal Housing Administration and Veterans Administration, clergymen, and representatives of the Back of the Yards Council.

There was plenty of talk, but much more action. Several financial institutions pledged support on the spot, and that very day acquisition was begun of the 2,000 front footage of vacant property at Fifty-third Place and Damen Avenue which has become Destiny Manor.

To qualify for purchase of one of Destiny Manor's 49 homes, now all sold, the buyer must have children (no home has less than three bedrooms), and must be a present or previous resident of Back of the Yards, or the son or daughter of a resident. Sufficient property was giv-

en to the city for a \$50,000 playground, which will have a fieldhouse and trained supervisor. A steel wire fence was erected not only around the playground but along the adjacent Pennsylvania Railroad right of way.

While the complex zoning and other arrangements for Destiny Manor proceeded, the community pressed forward on other fronts. Four model homes went up on other vacant lots but only after the conservation committee had met with forty-six builders and inspected sixty-one other model homes throughout the city. To facilitate sale and building on empty lots, an exhaustive tax and title search was conducted on over 900 vacant properties and lists of the owners distributed. Several of these lots have been purchased by adjoining neighbors for gardens or children's play space.

In addition to prizes and publicity two campaigns especially have helped dramatize the remodeling and repair program for existing homes. At 3519-55 S. Honore Street there stood for years a row of unsightly, two-story apartments notorious as "Outhouse Row." Climaxing repeated efforts to correct this sore spot, Supreme Savings and Loan Association granted a \$90,000 loan to modernize the building and install interior plumbing — a morale booster for the whole territory.

## *Home Wiring Service*

Secondly, in cooperation with Commonwealth Edison Company, the Council organized a free home wiring survey. Speeches were made, literature distributed, even sermons preached on the dangers and inconveniences of defective or inadequate wiring. Over five hundred homeowners requested inspection, with 167 found to need correction and advised to consult electrical contractors.

In still another aspect of the program, the conservation committee has sought out the owners of the numerous small store buildings dotting residential streets. A carryover from pre-supermarket days, most of these were two-story structures, the store on street level, with an apartment above, and most of the stores had fallen into disuse. Owners have been persuaded to remodel these buildings into modern two-flats, increasing with one stroke the supply of avail-



ple housing and the owners' incomes.

Leading all these efforts is the lack of the Yards Neighborhood Conservation-Modernization Committee, headed by Miss Frances Mazurk, and comprised of two real estate brokers, two businessmen, two housewives, two clergymen and two savings and loan association executives. Miss Mazurk, who knows the area intimately, is a real estate broker who also serves as chairman of the women's division of the Chicago Real Estate Board.

Behind the prize trips to Florida and the atmosphere of an old-fashioned barn raising, the community reserves a big stick which it uses against willful violators. A full-time council employee checks for building code violations, and woe unto the property owner who attempts the easy way out. Reports to the city building Commissioner of violations are fully documented by photographs and accompanied by tax and title information. The Corporation Counsel's office cooperates by notifying the Council each week of cases

scheduled for court and Council representatives appear.

But the powers of example, persuasion and positivism remain the most potent weapons. As Miss Mazurk comments, "If the neighbors on both sides and across the street are putting on new porches or installing new kitchens, you can't hold out for-

ever. Sooner or later, you'll be out with at least a paint brush."

Perhaps this whole ingenious, independent movement, which may point a new and additional way for Chicago to save its neighborhoods, best can be summed up in Joe Meegan's terse phrase, "Beauty can spread as well as blight!"

## What Are Chances To Be Boss?

(Continued from page 15)

their proportion in the general population, executives and owners sons have a rating of 775. Unskilled laborers sons have a rating of 16.

But a look at the changes that have transpired between the Taussig and Jocelyn survey indicates that the trends are all in favor of increased mobility.

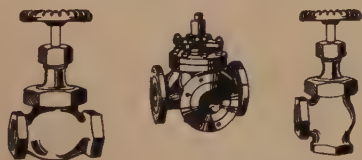
For example, the percentage of top management coming from the sons of unskilled laborers rises from two to five per cent between 1928 and 1952. The sons of clerks or salesmen made up five per cent of top management in 1928, but in 1952 they made up eight per cent. On the other hand, the sons of major execu-

tives have dropped from 17 to 15 per cent, the sons of the owners of small business from 20 to 18 per cent, and the sons of the owners of large business from 14 to 8 per cent.

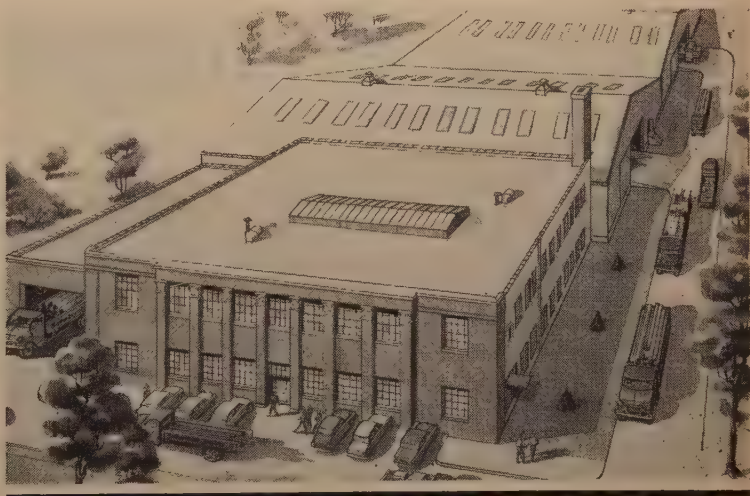
If, while the chance to get ahead is better today than earlier, what characterizes the men who get ahead? Obviously, in this respect, and in many others, our findings offer some concrete clues to the man who wants to get ahead. The most startling single measurable fact is the increase in the educational attainments of the men who are today's top executives compared with their predecessors. Almost sixty per cent of the executives in our sample graduated from

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college, another twenty per cent had a record of college attendance. In 1928, only three out of every ten executives had graduated from college, while another had some training.

Because the one measurable characteristic shared to the highest degree by all of today's executives is the amount of their education, it would seem that the executive is now a member of a professional class which insists upon adequate formal training. Education is the royal road to power in American business and industry. Importantly, because this method is open to men originating in all social classes, our society retains and even increases its healthy mobility.

### *Mobile Personalities*

What about the personality characteristics of the executives whose careers have demonstrated the mobility of American society? These men are mobile in their own personalities as well as their careers. They are able to pull up stakes, leave their parents, their home towns. They can leave behind circles of old friends without a qualm as they move upward. They are quick to pick up the essential cues existing in a new situation, and to grasp the essential aspects of a new problem without allowing themselves to become deeply involved themselves. They deal easily with people, but always with an inner reservation that keeps their own freedom of action.

Moreover, they tend to be completely realistic in their judgments, quick, tough, and accurate. They do not mistake a minor issue for a major issue. They sense the main problem, and deal with it without sentimentality. They are not basically what intelligence tests would call brilliant; on the other hand, they have intelligence which is above average.

Another central characteristic of these mobile men, the ones who take advantage of the roads upward in business, is their enormous concentration upon their careers. Their energies are devoted to forwarding their careers, the company that employs them, and their position in the company. This concentration often extends to activities outside the scope of what is ordinarily considered to be business. In the Red Cross, the Community Chest, and

various similar activities these men play a role that is essentially an extension of their business role.

At the same times, their families are limited. Most of them marry, but they tend to relegate control of their children to their wives. Sometimes the conduct of their children bewilders the hard-driving fathers. Nevertheless, the men who move up the ladder are forced to concentrate almost exclusively on their careers; the competition is so tough that achieving success demands all their energies.

Incidentally, our survey gives some answer as to whether the royal road to success is smoothed by marrying the boss's daughter. The answer seems to be "not particularly." In fact, by the only measurable criterion, the length of time it takes to become an executive after becoming self-supporting, it didn't even help the boss's son. He was probably helped by marrying out of his class, our figures show. One's own father apparently helps; one's father-in-law is of no particular benefit.

Another big problem lies in picking a career. In what kinds of business or industry is it easier to get to the top? Are the opportunities greater in "frontier" industries, the new and fast growing ones? Are certain business areas "closed" to movement from the bottom to the top, while others are "open"? What about smaller companies as opposed to the bigger ones?

### *"Frontier" Firms*

Our answers indicate that relatively more sons of laborers and farmers and proportionately fewer sons of major executives and owners of large businesses turn out to be top men in rapidly expanding firms. The more stable firms tend to have a higher proportion of sons of executives and large owners among the executives. The differences are not too great, however. The difference in the educational status is more marked between the "frontier" firms and those in more stable industries. In fast growing companies in new and expanding industries, 22 per cent of the business leaders did not finish high school, and only 44 per cent are college graduates. In slow growing companies in stable industries, only six per cent of the executives failed to finish high school and two-thirds are college graduates.



These latter firms consequently offer less opportunity for the mobile man, who possesses little formal education. Investment banking houses and brokerage firms often recruit only from certain selected colleges, and rely upon their own established patterns of training and career movement to produce their top executives. In such firms three-fifths of the leaders will be the sons of big business and professional men, as compared with the slightly less than two-fifths average for industry as a whole. To generalize, "Wall Street" represents the most consistently closed area for advancement for the less well educated man of lower social origins.

### "Open" Industries

At the other extreme are the "open" industries, where top level social origins are relatively less important. Men born to the top strata of society make up less than a third of the total leadership in such industries as utilities, communications, mining, railroads, highway transportation, petroleum, and the manufacturing of electrical machinery.

The best chance for advancement for the sons of laborers appears to be in the railroads and highway transportation. About three-quarters of the top executives in the manufacturing of electrical machinery and the petroleum industry come from the white collar, laboring class, owners of small business, or farming families. Two-thirds of the heads of insurance companies come from the same groups. These industries, then, offer the most chances for the man who wants to work his way up the ladder.

The educational requirements for business leadership are highest in the chemical and paper manufacturing. Almost three-quarters of the top executives in these industries are college graduates. Railroads and highway transportation offer the least educational barriers. Twenty per cent of the top executives in these two fields did not even graduate from high school.

The traditional picture of the successful mobile executive is that of a man who works his way up either as a two-fisted laborer from the shop, or as a successful salesman. The pattern as it exists today is different. The future executive acquires basic management skills as a

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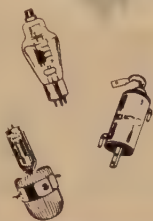
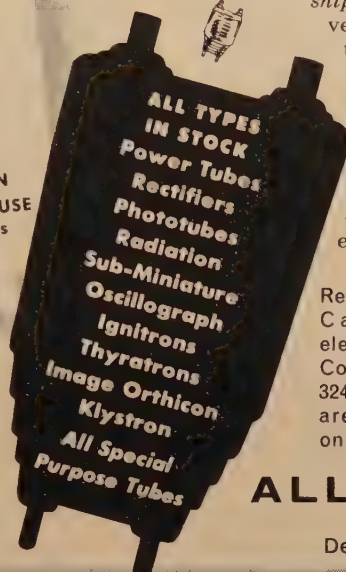
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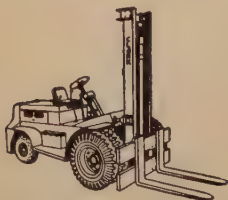
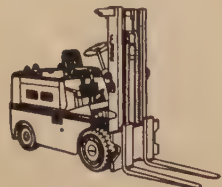


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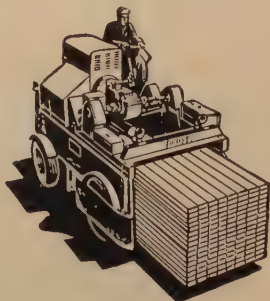
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member of the white collar hierarchy of American business. He moves to the top through the technical and lower level management personnel. Few of today's executive began in the factory itself, and when they did, they moved out quickly.

Five years after starting his first job, the future executive is already tabbed for a management position. This is generally true except for those in the professional fields in the business, the engineers, accountants, and lawyers who move into management some ten years after entering business. Within fifteen years after starting their career, over 80 per cent of future executives already hold management posts, and the majority are already top executives. Our findings indicate clearly that it is dangerous to be left behind early in one's career. The future leaders are the ones who move up fast.

**Bigness No Bar**

Incidentally, our findings indicate that bigness is no bar to opportunity. In big business, the proportion of top executives who are the sons of major executives and the owners of large businesses is smaller than in the case of smaller firms. In firms whose gross volume is over \$250 million a year, 16 per cent of the top executives are the sons of laborers and only 19 per cent the sons of big business men.

Is there such a thing as a typical executive? Individual cases vary widely, of course. But the average executive in our survey is about 50 years old. He entered business just before his 22nd birthday and became associated with his present firm some seven years later. He has been with his present firm for 24 years, reached his present position 24 years after entering business and has held it for almost seven years.

The present leadership of American business is somewhat older than the group studied by Taussig and Jocelyn a generation ago. Today's average age is 53.7 years. In 1928, the average age of the top executive was 51.4 years. Moreover, fewer young men under 45 are in top positions now than in 1928. Precise figures are 15 per cent of today's business leaders as opposed to 20 per cent a generation ago. The proportion of men over 65 has remained

(Continued on page 35)

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# Industrial Developments

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INVESTMENTS in new construction, expansion of existing plants and the purchase of land and buildings for industrial purposes totaled \$30,325,000 in December, bringing the total investments for 1955 to \$554,967,000. These figures compare with \$16,932,000 in December, 1954, and \$231,683,000 for the year.

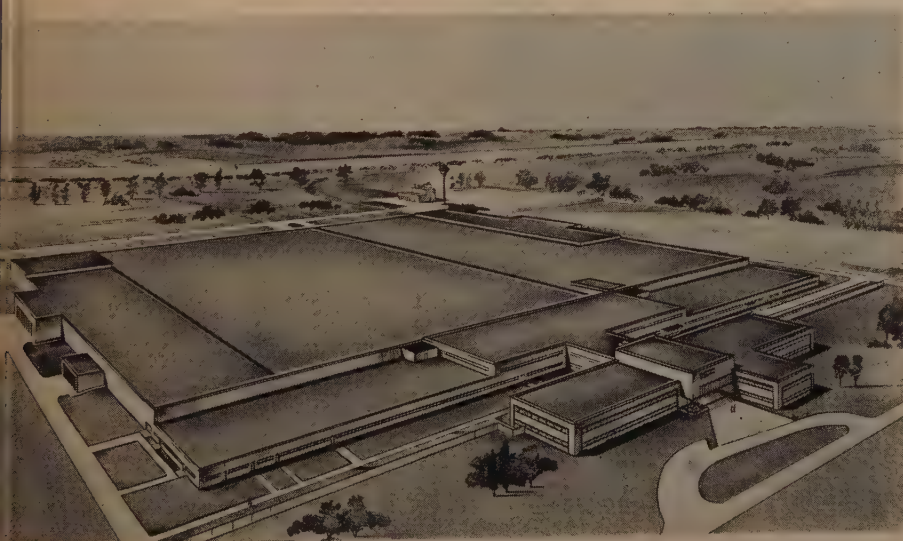
**Automatic Electric Company,** manufacturer of telephone equipment and electrical components at 10033 W. Van Buren street, has announced plans for a new 1,300,000 square foot plant in Northlake. Automatic Electric this year purchased the 170 acre site, identified as Westward Ho Golf Course, on Wolf Road just north of North Avenue. When the plant is completed in 1957, operations now carried on in 14 buildings on the near West side of Chicago will be transferred to the new location. About 5,000 persons will be employed in the new plant. The Austin Co., engineer and builder.

**Croname, Incorporated,** 3701 N. Ravenswood avenue, will erect a

very large plant at the corner of Touhy and Central avenues in Skokie. The structure will have 350,000 square feet of floor area and will house both the factory and office facilities of the company. Croname manufactures name plates, dials, scales, as well as electronic and radio components, refrigerator and stove parts and decorative metal parts. Graham, Anderson, Probst & White, architect and engineer.

• **Continental Coffee Company,** 375 W. Ontario street, is building a plant at 2550 North Clybourn avenue. The large new unit, with 123,000 square feet of floor area, will house the entire operations of Continental Coffee, packer of coffee for both commercial and house use. A. Epstein and Sons, Inc., engineer.

• **Goodyear Tire and Rubber Company** has purchased a 318,000 square foot plant in Lake Bluff which was built 4 years ago by Deep-freeze. The plant is on a 57 acre site on U. S. 41 just west of Lake Bluff. Goodyear will utilize it for the production of hose and belting.



Artist's drawing of new \$16 million factory, research laboratories and office facilities to be erected by Automatic Electric Company on the 170 acre site of the former Westward-Ho golf course located about 15 miles from downtown Chicago on Wolf Road just north of North Avenue in Northlake, Illinois. It is expected to be completed by late 1957

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• **Richards-Wilcox Manufacturing Company** in Aurora, producer of doors, conveyors and hardware specialties, is adding 43,000 square feet of floor area to its plant in the form of a separate structure which will include 150 feet of covered loading dock. The project will also involve work on the railroad siding. Johnson and Johnson, engineer; Campbell, Lowrie, Lautermilch Corporation, general contractor.

• **Homak Manufacturing Company, Inc.**, producer of metal kitchen furniture and kitchen cabinets at 435 W. 43rd street, is erecting a new 45,000 square foot building at 4433 S. Springfield. The new structure will house the entire operations of the company when completed.

A. Epstein and Sons, Inc., engineer.

• **Strathmore Company**, Aurora, is adding 65,000 square feet to its printing plant in that suburb. The additional space will be used for the manufacture of the "Magic Slate," juvenile toy.

• **Precision Castings Corporation**, 5959 W. Howard street, Niles, is adding a 56,000 square foot structure to its present plant which produces aluminum, zinc and magnesium castings. General contractor is Ragnar Benson Company, Inc.; architect, P. Aznavoorian.

• **American Machine and Foundry Company** has broken ground for construction of a 40,000 square foot building to house the headquarters of its two subsidiary organizations, AMF Pin Spotters and AMF Na-

tional Bowling and Billiard Corporation. The building is expected to be completed in June and will house the distribution functions of the two organizations. Manufacturing facilities of AMF National will continue to be located at 414 N. Wood street.

• **Matherson-Selig Company**, 1811 N. Central Park avenue, manufacturer of color cards and shade comparison display for paints and cosmetics, is having a new plant of 36,000 square feet erected to accommodate its operations which will be located at 7301 W. Wilson avenue in Harwood Heights. Klefstad Engineering Company, general contractor.

• **Tempel Manufacturing Company**, 1939 Bryn Mawr avenue, one of the largest manufacturers devoted exclusively to the production of electrical laminations, is adding 30,000 square feet of manufacturing space to its plant. Shaw, Metz and Dolio architect; general contractor, Campbell, Lowrie, Lautermilch Corporation.

• **H. L. Judd Company**, a division of Stanley Works of Wallingford, Conn., is having a 30,000 square foot building constructed for its use at 6238 N. Northwest highway. The new building will be utilized as the midwestern warehouse for the company. Bennett and Kahnweiler broker.

• **Royal Continental Box Company, Inc.**, 2214 W. Fulton street, is erecting a new plant at 13th street and 47th avenue in Cicero, which contains approximately 41,000 square feet of floor area. It will produce its line of wood and corrugated boxes. Architect, Albert Belrose.

• **Will County Printing Company** in Lockport is adding 20,000 square feet to its plant for increased production of labels and packaging materials in full color. A. Epstein and Sons, Inc., engineer.

• **Production Steel Corporation** in Broadview, at Roosevelt road and the Indiana Harbor Belt Railroad tracks, is making a substantial addition to its warehouse. Abell Howe contractor.

• **Mid City Architectural Iron Company**, 2600 S. Throop street, ha-

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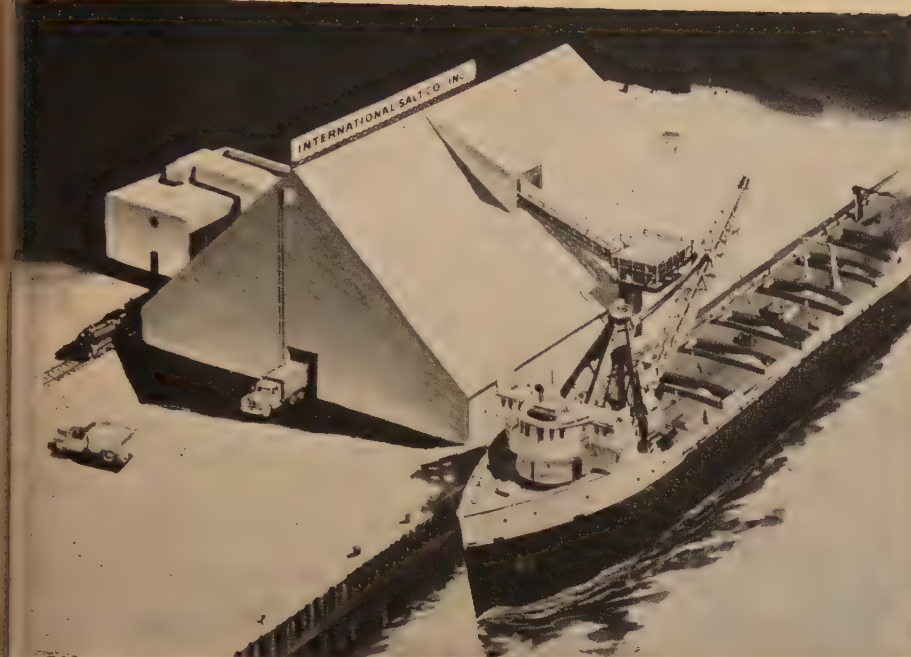
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purchased the 14,000 square foot building at 1030 E. 87th street. The new plant represents an expansion of floor area from the present quarters to meet the increased demand for the firm's ornamental iron products. J. J. Harrington and Company, broker.

• **Sun Electric Corporation** has occupied the new building built for it in the Clauss Industrial District of Melrose Park at 25th avenue and North avenue. The new plant will house the Industrial Division of Sun Electric, which manufactures scientific testing equipment and defense items. The new 10,000 square foot building, with an adjoining parking lot, is served by the Indiana Harbor Belt Railroad. Arthur Rubloff and Company, broker.

• **General Binding Corporation** has purchased 19 acres of land in Northbrook between Edens highway and Skokie road for future development. General Binding is the world's largest manufacturer of plastic and metal binding equipment and supplies. Hogan and Farwell, broker.

• **Consolidated Engineering Company**, 919 N. Michigan avenue, manufacturer of production equipment and tools for the automotive industry, has acquired a one-story

building at 3067 N. Elston avenue containing 20,000 square feet of floor area. Bennett and Kahnweiler, broker.

• **Harmon Machine Company** of Wichita, Kansas, has purchased a structure at 4641 N. Ravenswood avenue. J. J. Harrington and Company, broker.

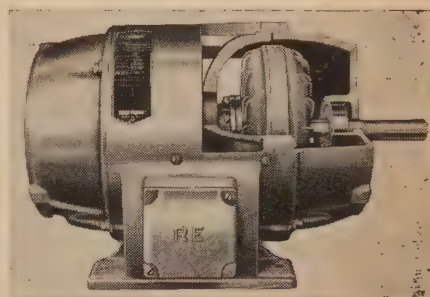
• **Allied Gear Corporation**, 4725 W. Lake street, has purchased one acre at Arthington street, a block west of Cicero avenue, for future use as a plant site.

• **Universal Battery Company**, 3419 S. Wentworth avenue, is adding 3,000 square feet of floor area for increased manufacturing space for its line of storage batteries.

• **Seaman Paper Company**, in Evanston, has acquired 10,000 square feet of floor space at 3720 W. 38th street in the Cooke Industrial District. The firm will engage in the fabrication and manufacture of plastic and hardboard products. Bennett and Kahnweiler, broker.

• **P-K Tool and Manufacturing Company** has moved to its new 10,000 square foot plant at 4700 W. Le Moyne. The new plant will provide increased space and improved material handling facilities for the

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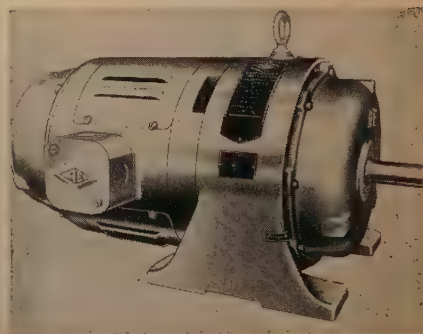
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• **Lea and Sachs Inc.**, 555 W. Adams street, will move its warehouse for adhesives, textiles, tapes and elastics to new quarters at 325 N. Clark street, after extensive alterations. Brown and Storch, Inc., broker.

• **Thomson Steel Polishing Company** has acquired a one-story building at 4635 S. Harlem avenue in Forest View. J. J. Harrington and Company, broker.

• **Speco, Inc.**, Schiller Park, manufacturer of equipment for the packing industry, is expanding its plant with the addition of 3,000 square feet of floor area.

• **Allen Manufacturing Company**, Hartford, Conn., has acquired a 7,000 square foot building at 5410 Broadway which it will utilize for warehouse purposes. The company manufactures set screws and cap nuts. Michael J. Schneider and Company and J. J. Harrington and Company, brokers.

• **Tenak Products Company**, 2615 N. Paulina street, is erecting an addition to its plant of 10,000 square feet of floor area for increased production space. The company produces electrotape plastic moldings. Northern Builders, Inc., general contractor.

• **Custom Craft, Inc.**, 1932 S. Halsted street, has acquired 25,000 square feet of floor area at 2018 W. Fulton street for production of its line of upholstered living room furniture. Alfred L. Miltenberg and Company, broker.

• **Malanco Incorporated**, Blue Island, manufacturer of die cut fibre-glass and greaseproof papers, is erecting an addition to its plant containing approximately 16,000 square feet of floor area. The additional floor area will be utilized for production and storage operations.

• **Wire Cloth Products Inc.** is adding 22,000 square feet to its plant in Bellwood to be utilized for increased manufacturing space for aircraft work. The company manufactures a line of wire cloth strainers and filters. Engineering Systems, Inc., architect.



# Transportation and Traffic



**T**RIAL in the \$250 million damage suit against major eastern railroads has been set for January 17, 1956, in the Federal district court at Philadelphia. The suit was filed three years ago by the Pennsylvania Motor Truck Association and 37 trucking companies and named as defendants 31 railroads, several of their presidents, the Eastern Railroad Presidents Conference, and Carl Byoir and Associates, a New York public relations firm. The suit alleges that the railroads conspired to destroy the business of trucking concerns in the northeast and the amount sought to be collected is triple the sum the trucking companies estimate the alleged conspiracy has cost them. Since this case is 35th on a docket of 40 to be heard by Judge Thomas J. Clark during a two-week period beginning January 17, it is possible that the trial may have to be reassigned to the April session of the court. There is also the possibility that attorneys may ask for a postponement on the ground that they are not prepared for trial. The truckers' charges have been termed by David I. Mackie, chairman of the Eastern Railroad Presidents Conference, as "so fantastically absurd that they smack more of Alice in Wonderland than of serious legal action."

**Commissioner Johnson to Retire From I.C.C.:** Interstate Commerce Commissioner J. Monroe Johnson has announced that he will retire when his present term expires December 31, 1955. Mr. Johnson, who was 77 years old last May, was appointed to the commission by President Roosevelt in 1940. His retirement will create a third vacancy on the 11-man commission. Hayden Alldredge resigned effective October 31, 1955, and Hugh W. Cross, effective November 25, 1955. Rumors are persistent in Washing-

ton that Commissioner Kelso Elliott may soon quit his post on the commission to enter private business.

• **Central Committee to Review Motor Class Rate Adjustment:** The Central Committee of Central States Motor Freight Bureau will review Docket No. 23880 at its meeting on January 10, 1956, in the Congress Hotel, Chicago. As recommended by the Standing Rate Committee, the docket proposes to:

1. Cancel all less truckload and any-quantity exception ratings.
2. Increase present rates on truckload exception rated traffic by five per cent.
3. Publish a new Rate Basing Tariff which will correspond with that now used by the railroads.
4. Publish a new class rate tariff which will name rates corresponding with the present railroad Docket No. 28300 scale, plus five per cent. These rates would be subject to an arbitrary of 45 cents per 100 pounds on shipments weighing less than 2,000 pounds and 20 cents per 100 pounds on shipments weighing from 2,000 to 5,000 pounds.

In its appeal, the Chicago Association of Commerce and Industry said that the Standing Rate Committee's disposition "fails to recognize the serious effect on existing rate relationships within the Chicago Commercial Zone that would result from application of the railroad Docket No. 28300 groupings. For example, rates from and to the Skokie Valley area, which includes such points as Morton Grove, Niles, Lincolnwood and Skokie, would be based on Waukegan, Illinois rather than the present Chicago basis." Continuing, the Association's appeal asserted: "This area, which is included in the Chicago Commercial Zone, has become prominent industrially in a relatively short period of time. Many of the firms in this district

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were formerly located within Chicago but were forced to move into this outlying area to permit enlargement of plant facilities. Industries in deciding on this area to relocate their plant sites, did so on the assumption that the rate relationship which existed between these points and Chicago would not be disrupted. This was an important factor since these firms are in direct competition with industries located within Chicago proper."

• **Senate Committee to Investigate Freight Car Shortage:** The Senate Interstate and Foreign Commerce Committee will undertake a full investigation of the causes of the railroad freight car shortage and the allegations that the Interstate Commerce Commission has failed to prevent discrimination against certain sections of the country. Announcement of the probe was made by Senator Magnuson, chairman of the committee. The most recent complaints came from Oregon's Senators Morse and Neuberger who said that the commission "has full authority to protect shippers against discriminatory practices of rail carriers," but that the "discriminations against shippers in Oregon remain unremedied and the situation has grown worse week by week." The senators urged the commerce committee to give special emphasis to the following four factors:

"1. The failure of the Interstate Commerce Commission to police the discriminations in car service practiced by the railroads in areas wherein they operate as monopoly rail carriers;

"2. The failure of the Interstate Commerce Commission and the Department of Agriculture to take adequate steps to prohibit the use of box cars as mobile storage bins in the shipment of grain under the program of the Commodity Credit Corporation;

"3. Lack of affirmative action by the Interstate Commerce Commission to get lumber-hauling trucks into operation to move blocklogged lumber into channels of commerce;

"4. Ability of regulatory agencies to compel diversion of cars from one or more carriers into the service area of a monopoly railroad when a critical shortage exists."

• **Intercity Truck Tonnage 14 Per Cent Over Last Year:** Intercity

tonnage of general freight handled by motor carriers during the first nine months of 1955 was 14 per cent over the same period of last year, according to the Research Department of the American Trucking Associations. The largest gains, 18 per cent, were chalked-up in the Central and Southern regions.

• **Dearing Appointed Director** Illinois Toll Highway Commission: The appointment of Charles L. Dearing as executive director of the Illinois State Toll Highway Commission has been announced by Governor Stratton. Mr. Dearing, former Deputy Under Secretary of Commerce for Transportation, is now a senior staff member of the Brookings Institution, Washington, D. C. Governor Stratton said that Mr. Dearing's selection for the \$25,000 a year post was made "from a nationwide roster of eligibles, with the unanimous approval of the commission members."

## Trends In Finance and Business

(Continued from page 11)

weight, was a negligible factor in the declination of policies. Fewer than 10,000 applications were turned down last year for weight. An estimated 80,000 new policies, however, were accepted on the extra-risk basis because of weight.

• **Air Conditioning Predictions** — By 1960 central comfort systems will be installed in well over 500,000 homes annually, and by 1965 this will have increased to 1,150,000 units a year with a retail value of \$1.75 billion. The number of such systems installed annually ten years hence will be about the same as the number of furnaces installed in 1955. These predictions come from Cloud Wampler, chairman and president of Carrier Corporation.

Looking at the immediate year ahead, Mr. Wampler expects the air conditioning industry to break all previous records for the seventh consecutive year. He foresees total sales in 1956 at retail of about \$3.2 billion. The \$3.2 billion estimate takes into account the current growing together of the heating and the air conditioning industries. On the same basis industry sales in 1955 were \$2.9 billion, according to Mr. Wampler.



## Chances To Be Boss

(Continued from page 28)

table at 11 per cent over both periods.

Thus it would seem that the age range of the business elite is becoming compressed, with fewer young men in the group, and no more older men. The longer training period within industry shortens the start of the career, and arbitrary retirement policies at 65 lops it off short at the end.

As sociologists who believe that social mobility is a good thing, we are naturally pleased to find that the opportunity to climb to the top is on the increase. Our findings would indicate that more men of ability, high skill, and professional training are getting into important jobs. At the same time, it becomes apparent that formal education is more and more becoming essential for business advancement.

This poses two major problems for American business to insure that it recruits the best men for the top level jobs. One is to make sure that education is available for the best qualified, regardless of their economic circumstances. The second is the support of higher education itself.

### Industry Must Help

Industry itself must help through endowment, fellowships, and other financial aids. This is particularly true in the case of the currently hard-pressed liberal arts colleges, who train a very large proportion of our present business leaders.

As for the men in industry today who are handicapped by lack of formal education, business can do much by providing adult education programs, to permit men to advance to the limit of their capabilities. This is part of the idea of promotion from within, a major inspiration for those who want to get ahead.

Such policies, it need scarcely be said, are not only just and sensible in using available human resources adequately, but reflect enlightened self-interest, not only on the part of individual firms, but for the entire economic order and the American way of life. To most Americans, the ability to get ahead is part of a powerful incentive system that stimulates the abundance in our present society.

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# New Products

## Portable Paging System

A lightweight, portable public address and paging system with a range of one-fourth mile, has been developed by Radionic Industries, 321 W. Hubbard Street, Chicago 10, Illinois. The unit comes in a case measuring 10½ inches by 6 inches by 4½ inches with an adjustable shoulder strap. It has a trumpet type speaker and a microphone with an 8-foot rubber covered extension cord. Complete with four 6-volt dry batteries, the unit sells for \$99.50.

## Shower Control

The Powers Regulator Company, 3400 Oakton Street, Skokie, Illinois, is producing a single-dial, thermostatic shower control which automatically maintains the water temperature at the point desired by the bather. Failure of cold water supply instantly shuts off the shower, a thermostatic safety limit prevents delivery of water above 110 degrees. The price is approximately \$60.00 for complete installation of unit.

## Geiger Counter

A portable geiger counter for uranium prospecting has been announced by the Nuclear Instrument and Chemical Corporation, 229 West Erie Street, Chicago 10, Illinois. The unit features a sensitive geiger probe which may be mounted in the handle of the unit or may be removed for surveying crevices, drill holes, or cave walls. It sells for \$250 complete, f.o.b. Chicago.

## Wood Veneer Trim

An inch-wide tape of wood veneer on a latex impregnated paper backing has been introduced by United States Plywood Corporation, 55 West 44th Street, New York 36, New York, to cover exposed edges of plywood. Called Weldwood Flexible Wood-trim, the material is applied with any wood glue. No heat or clamping is required. Wood-Trim comes in mahogany, oak, walnut, birch and

Korina. It is sold in rolls eight feet long for 79 cents.

## Liquid Rubber

A liquid rubber that spreads from a fold-up metal tube and dries to a tough elastic rubber is now available for the home handyman. Called "Flex-O-Fix," the new product can be thinned with water to water-proof fabrics, dries soft and elastic and will not dry out or chip off. It is made by Pyroil Company, Inc., La Crosse Wisconsin, and sells for 75 cents in a 2½ ounce tube.

## High Strength Steel Bar

A new, high strength, free machining steel bar which requires no heat treating has been announced by La Salle Steel Company, Hammond, Indiana. Introduced under the trade name "Fatigue Proof," the product has in-the-bar properties usually associated only with heat treated steels plus greatly improved machinability according to the manufacturer. Tensile strengths are in the range of 140,000 to 150,000 psi with a hardness related to this strength level of about 30 Rockwell C.

## For Bulk Granular Material

Development of a new device that makes possible rail distribution of bulk granular materials to off-line plants has been announced by Fuller Company, a subsidiary of General American Transportation Corporation, 135 South La Salle Street, Chicago, Illinois. The portable unit enables bulk unloading of flour and similar materials to trucks via an air pressure system. The device is mounted on pneumatic tired wheels and can be maneuvered by one man.

## Tinless Can

A food can with an aluminum coating instead of tin, and with side seams that are welded instead of soldered, has been developed by the American Can Company. The inside of the cans are lined with spe-



and enamel coatings especially designed to give added protection to specific canned products.

### Super Baling System

East Chicago Machine Tool Corporation, East Chicago, Indiana, is manufacturing a one-man, scrap paper baling system that will bale as much as four tons of scrap paper and corrugated boxes per hour in bales 50 to 1,000 pounds each. Completed bales measure 26 inches by 32 inches and any desired length up to 72 inches. Called the "Cyclomatic," the unit requires no pit installation and can be floor mounted in a 23 by 23 foot area.

### Executive Bonuses

(Continued from page 14)

company. It just doesn't make sense." The fact that much of the current pressure in industry for executive performance appraisal originates outside the personnel department is an indication that this personnel executive's remark is worth careful attention.

Top management is determinedly testing about for help in this area. Let's assume a company has no incentive plan. This being the case, its president is almost certainly asking himself—and anyone in whom he has confidence—"Should we have an executive incentive plan?"

On the other hand, if the firm does have an incentive plan, he is asking, "What can be done to make our plan more effective?"

The answer to either question is likely to be simple or clearcut. But let us review briefly some of the factors presidents would consider in answering these questions.

Question No. 1: Should a company have an executive incentive plan?

The environment within the company is an extremely important consideration. This company environment stems largely from three things: the industry of which the company is a part, company history, and the personal characteristics of the chief executive. Each will strongly influence any decision.

The chances of setting up a successful incentive plan are increased in a highly competitive industry, if the company has a background of competitive, decision-delegating top

executives, and if the current president is a competitive individual who is willing to delegate responsibility.

He should also be willing and able to choose between "the men and the boys." For him to do so, a business should be organized on a basis that permits such a choice. This means that responsibilities should be clear cut, with executives held accountable for their responsibilities.

In a word, if a company is a likely target for incentive compensation, its management should be doing things. They should be taking action in

areas over which they alone exercise control. Otherwise, what objective would be gained by having an incentive plan?

The chances of a profit-productive incentive plan are less hopeful if an industry is only mildly competitive (the oil industry), government-dominated (the railroads and utilities), or involves an economic or product monopoly (patent or raw material control). There is a strong likelihood that such an industry background will produce a committee-run company—and committee-run companies

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are a poor risk where incentive compensation is concerned.

If a company's management could be characterized as a happy, contented executive group, it might want to think twice or more before recommending incentive compensation. Incentives seem to work best with "hungry" men, with an executive group that is discontented enough to take the risks necessary to bring about an above-average profit improvement. This latter is not a task for "contented cows."

If salaries are out of balance—either internally or compared with "outside" salaries—steps should be taken to bring them into balance before adopting incentive compensation. Incentive payments should not be used to plug up salary deficiencies, or the plan will quickly lose its value as an incentive.

The decision a company reaches on whether or not to adopt an incentive plan had better be right: for an unsuccessful plan is normally worse than none—and its unhappy ghost will haunt it for years.

Question No. 2: How can a company make its present plan more effective?

Any incentive plan can be more effective than it is! It is largely a question of finding out what works for a given company, and doing more of it. By the same token, doing less of what it finds does not work.

The problem thus is one of developing a knowledge of executive actions that increase profits—and rewarding them. And do not overlook the other side of the reward coin—penalty for poor performance.

## Eight Minute Flights from Loop

(Continued from page 17)

be transported from "airline corner" and several nearby hotels to and from the heliport at no extra charge by Volkswagen, a German station wagon, operated by the helicopter company.

Instead of runways or landing strips used by the conventional fixed wing aircraft, helicopters take off and land on "pads," a hard surfaced area, 150 feet or more in diameter, centered in an open space. The pads at both Midway and O'Hare will be centrally located. At Midway, for example, the pad probably will be at the end of the ramp used by American Airlines, a spot that is only a few minutes walk from any of the servicing areas of the other major airlines.

Also unlike fixed wing aircraft, the take-off and landing procedure of the helicopter is comparatively simple. At Midway HAS has averaged over 25,000 landings, take-offs and "taxi-ing" movements a year without interference with or from the regular airline traffic. These procedures have required only a minimum amount of control from the tower. By rising on a gradual slope to 300 feet altitude, helicopters can safely cross active or "live" runways.

The "ships," as helicopter pilots call them, operate at an altitude of 300 to 500 feet. In coming into the downtown area of Chicago from Mid-

way, HAS ships, carrying the mail, have followed Cicero Avenue to the Illinois and Michigan Ship Canal. They fly northeastward over the canal until they reach the railroad tracks leading to the post office building (at Van Buren and Canal). Their destination has been the top of the 13-story post office building, 180 feet above street level. Similar routes, which would avoid built-up areas, will be worked out for 'copter traffic to the Monroe Street Heliport.

Since 1949, HAS has completed more than 96 per cent of its scheduled operations, indicating that Chicago weather offers practically no interference to regularly scheduled helicopter service. The company has completed over 55,000 take-offs and landings without incident on the 130 foot by 180 foot area provided atop the post office building. In all it has flown over two million miles in the area, all without an accident. A few emergency landings have been necessary, none of which resulted in damage of any consequence.

For its proposed passenger service in the Chicago area, HAS intends to start operations with five Sikorsky S-55's, the type now being used in the Los Angeles and New York passenger operations. This ship carries eight passengers, two crew members, and a quantity of mail, has a top speed of 96 miles per hour and a cruising speed of 80 mph. The S-55



costs about \$135,000 fitted with interiors comparable to present-day first class airliners. However, because of big military demands and limited production, there is a waiting period of six months to a year for delivery of new helicopters. Air passengers now commuting to Midway airport from Chicago's downtown area spend from 40 minutes to an hour on any of three surface methods of transportation, private car, cab or limousine. The best by cab runs from \$2.50 to \$3.00; by limousine, \$1.35. Surface time to O'Hare from the loop takes 50 to 60 minutes. The limousine fare is \$.95, while the cab tab will vary around \$5.00 depending on the route and time taken for the trip.

Air passenger service is now provided between Meigs Field and Midway by Midway Airlines using fixed wing aircraft. The flying time is ten minutes and the cost is \$3.30. Midway airlines also supplies air service between Midway Airport and O'Hare Harbor Airport and Midway and DuPage County Airport. The company has an application before the CAB to supply local air service to and from O'Hare Field.

According to a survey conducted by HAS during the spring of 1955, there were approximately 434,000 passengers a month requiring transportation to or from Midway Airport. Of this number, 208,000 or 48 per cent, started or finished their journey downtown. HAS estimates that one-third of these used the limousine service, 35 to 40 per cent rode cabs and the remainder were transported in private automobiles or used the public surface transportation. The other 226,000 passengers were destined to or originated either in outlying areas of Chicago itself or in the suburbs. The estimated total for the suburbs alone was 98,000.

Helicopter service from the airports to surrounding communities would probably start about two years after the airport to downtown shuttle service started. The first communities to get this service would be along the North Shore, where it is estimated the bulk of the men who use the air lines live. The other routes around the airports would follow in counterclockwise fashion: west, then south, and the southeast route would be the last to be established.

At this stage commuter service

from towns around Chicago to the downtown area would be too expensive for daily use. The commercial helicopters now available carry only one to 13 passengers. They all have one engine and cost anywhere from 25 cents to 70 cents per passenger mile to operate.

The various military helicopters are now being designed to carry from 20 to 30 passengers and future designs carrying up to 50 passengers are envisioned. It will be, perhaps, ten years before these are available for commercial use. With such ships it is estimated operating cost per passenger mile may be five to ten cents.

Meanwhile anyone looking for a faster mode of commuter service might do what one Park Forest resident did last summer. Having missed the last train home one night, he arranged for a helicopter to fly him to a vacant lot near his home. He beat his last train home, hands down; but annoyed his neighbors in the process. Their protestations to local civil and federal authorities were in vain since no laws were violated.

The only admonition he received was that people just don't commute via helicopter. However, the way things are developing it looks like he was just rushing things a bit.

## Here, There and Everywhere

(Continued from page 8)

pleted the program will be made available free to all business men. It is designed so that one key executive who is assigned the job of educating his fellow employees can, without previous training, serve as a group leader in teaching the course to others. Handwriting Foundation, Inc. is sponsoring the program.

• **Vending Machines Click** — More than \$1.7 billion worth of products and services were sold in 1955 from 2,965,630 vending machines, an increase of 13 per cent over 1954 according to the National Automatic Merchandising Association.

• **Mechanical Stomach** — Westinghouse Research laboratories have developed a "mechanical stomach" more sensitive than a human one. It is used to measure changes in the motion of an elevator during operation.

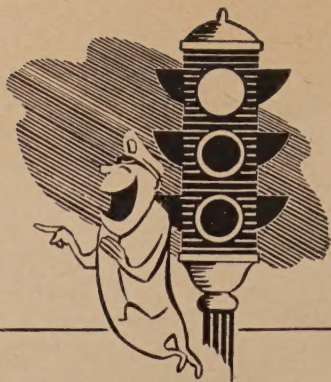
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June: "The man I marry must shine in company, know music, tell jokes, sing, dance and stay home evenings."

Betty: "You don't want a husband, dear — you want a TV set."

Charlotte: "That's the fifth time you've gone back for ice cream and cake. Doesn't it embarrass you?"

Bob: "Why should it? I keep telling them I'm getting it for you."

Rancher: "What kind of a saddle do you want—with or without a saddlehorn?"

Dude: "Might as well have one without. Doesn't seem to be much traffic out here."

A man wearing a rather frayed suit entered a tailor's shop. "I hear that my son has owed you for a suit three years," he commenced.

The tailor's face brightened. "That's right, sir," he replied. "And have you come to pay the bill?"

"Certainly not," replied the other. "I want one myself on the same terms."

Mrs. Jones: "Does your husband talk in his sleep?"

Mrs. Smith: "No, and it's awfully exasperating—he just grins."

Two fellows, fishing on a Sunday morning, were feeling pretty guilty. One said to the other: "I suppose we should've stayed home and gone to church."

To which the second angler replied lazily, "Heck, I couldn't have gone to church anyway. My wife's sick in bed."

Two modern little girls coming home from Sunday School were solemnly discussing the lesson.

"Do you believe there is a devil?" asked one.

"No," replied the other promptly, "of course not. It's just like Santa Claus. He's your father."

The boss was pointing out to his secretary several errors she had made during the day, when she interrupted with — "Mr. Brown, it's two minutes past five and you're annoying me on my own time."

A little colored boy went to a Christmas party. At supper there was a jar of molasses on the table and the lad kept calling for "lasses," "lasses." His teacher came and told him he should not say "lasses," but should say molasses.

The boy looked at her in amazement and said, "How can I say molasses, when I ain't had any yet?"

The luggage-laden husband stared miserably down the platform at the departing train. "If you hadn't taken so long getting ready," he sadly admonished his wife, "we would have caught that train!"

"Yes," she replied, "and if you had not hurried me so, we wouldn't have so long to wait for the next one."

"How long, after I take the anaesthetic, doctor, will it be before I know something?"

Doctor: "You mustn't expect too much of an anaesthetic."

Wife to husband on Christmas morning: "You angel! Just what I need to exchange for just what I wanted."

The prim old lady was given the first glass of beer she had ever had. After sipping it for a moment she looked up with a puzzled air.

"How odd," she murmured. "It tastes just like the medicine my husband has been taking for the last 30 years."

She—"How was your New Year's party last night?"

Voice on the phone—"We're having a fine time."

An editor received a story from one of his reporters about the theft of 2,025 pigs from one farmer. Curious about the large number, he phoned the farmer. "Are you the farmer whose pigs were stolen?" he began.

"Yeth, I thure am," replied the farmer.

The editor thanked him, turned, and rewrote the story about the theft of two sows and 25 pigs.

"Do you act toward your wife as you do before you married her?"

"Exactly. I remember how I used to act when I first fell in love. I used to stand in front and look at her house, almost afraid to go in. Now I do the same thing some nights."

A teacher was explaining hybrids to her class.

"For example," she said, "if you cross a horse and donkey, you get a mule. Now what would happen if you cross a mule with a cow?"

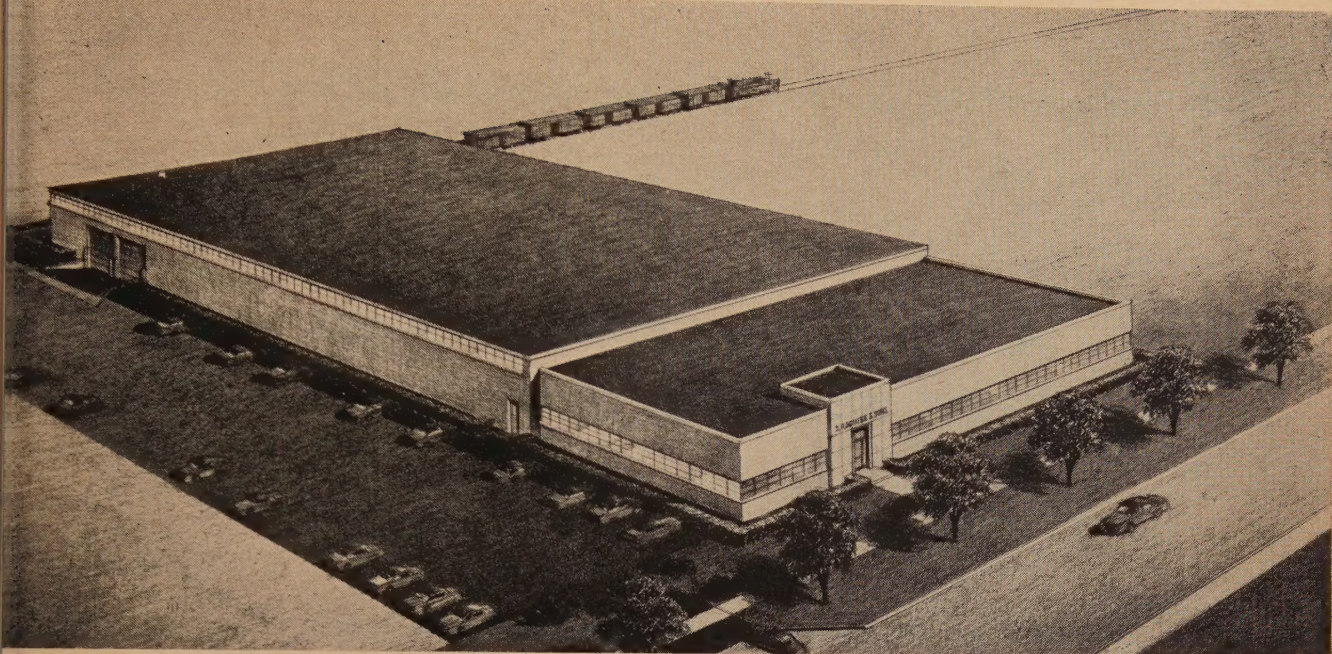
"You'd get milk with a kick in it," said one of the students.

"John! Wake up! A burglar is going through your pockets."

"Well, fight it out between you."







Rendering of New Plant under Construction for E. R. Squibb & Sons

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AN IMPORTANT MESSAGE FROM THE SECRETARY OF THE TREASURY

## A THREE-WAY PARTNERSHIP THAT BENEFITS EVERYBODY

*How the public, the magazine publishers and the  
U. S. Government cooperate to help keep  
the nation's economy growing always stronger*

**A**S a reader of this magazine, the chances are that you belong to a "three-way partnership" dedicated to intelligent saving and a sound economy. For you probably buy United States Savings Bonds. Nearly 40 per cent of the families in America own them. Most Bond-owning families have saved enough in this way to pay for a serious illness, to provide something for old age, to make a down payment on a house or take a long trip. And perhaps most important, these families have the wonderful feeling of security that the ownership and holding of these Bonds bring.

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Full credit for making Bond-buying a national habit is due that "three-way partnership"—the American citizen, the Government, and the volunteer groups, such as the magazine publishers, who bring buyer and seller together through the pages of their publications.

All three partners will profit further by continuing to help increase the nation's saving through the sale of Savings Bonds.

For so effectively promoting the national welfare I wish, on behalf of the Government, to extend to the magazine publishers our most sincere thanks.

Secretary of the Treasury

